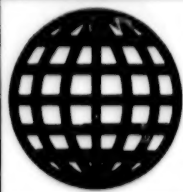


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14 MAY 1992



**FOREIGN
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JPRS Report

Near East & South Asia

Near East & South Asia

JPRS-NEA-92-062

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REGIONAL AFFAIRS

Analysis of al-Asad's Call for Family Unification

TA2704155192 Tel Aviv YEDI'OT AHARONOT
in Hebrew 27 Apr 92 p 2

[Text] For the keen and sly Syrian president, there is no such thing as coincidence. It is not just by chance that Syrian television, whose every sentence in the news editions is checked seven times, broadcast an announcement on "permission for family reunification."

Al-Asad, obviously, is guessing that the hundreds of Jews who will rush to leave will not settle in the United States, but in a "different destination." And he expects appropriate compensation from the United States.

Al-Asad is interested that the United States pressure Israel in advancing the negotiations. If not, he might, for example, allow the departure of only a small group of Jews.

Favorable Trade Status With China Proposed

TA2604164392 Tel Aviv YEDI'OT AHARONOT
in Hebrew 26 Apr 92 p 7

[Text] According to Dov Lautman, the Chinese economic leadership has proposed to Israel a joint venture of the mutual removal of customs barriers, and the granting of most favored nation status in foreign trade, and, in exchange, China would enjoy identical status in Israel.

Dov Lautman, president of the industrialists' association, arrived in China at the head of a delegation of a dozen senior Israeli businessmen, including, among others, Tzvi Tzur, Davin Vinchel, and 'Imanu'el Gil.

Lautman disclosed that the intention is to reach a quasi-free trade agreement between the two countries, within whose framework goods made in China could be sold in Israel without licenses and without added customs duty, while Israeli made goods enjoy the same privileges in China.

And the main thing—from now on all economic contacts between China and Israel will be done publicly and with the encouragement of the Chinese Government. Lautman believes that it will be possible to establish business partnerships with Chinese elements, to purchase their partially made goods, to complete the work in Israel, and sell them to Europe and the United States. Advanced contacts already have been made on these issues.

Lautman further added that the delegation from Israel was received in China with great enthusiasm. The Chinese showed special interest in chemistry, electronics, and in the transfer of Israeli military industries to civilian. The official Chinese organ, BEIJING DAILY, published a long lead article two days ago on the success

of Israel Military Industries and the Armament Development Authority in transferring from purely military production to civilian.

"Before I came to China," Lautman related, "I thought it was a Chinese-speaking Russia: a land of poverty, neglect, and economic stagnation. And here I see Shanghai is a city with a flowering economy, everything is growing, there is an abundance of goods in huge shops, an excellent communications network, and the business sector is developing at an enormous rate."

PALESTINIAN AFFAIRS

Shouts of Joy Reported at News of 'Arafat's Death

92P40181A

[Editorial Report] The Tel Aviv-based military publication BAMAHAANE carries in its 15 April 1992 edition in Hebrew on page 4 a short article on the lack of concern by some in the territories over Yasir 'Arafat's welfare following his plane crash. According to a soldier who works in one of the central prison installations in the territories, shouts of joy were heard from local groups of Arab lawyers when it was reported that 'Arafat was no longer alive. According to a lawyer from Tulkarm, the news reports that all Palestinians feared that 'Arafat was dead are not exactly correct. He said that 'Arafat is a symbol for the Palestinians, but that many believe he should be replaced and "as far as we are concerned, he is still a leader from afar." The lawyer then mentioned a secret report by Abu-'Ali, a former close friend of 'Arafat, which was distributed in the territories accusing 'Arafat of an "unrestrained lust for power, of opportunism, of squandering struggle money for his personal needs, and of transferring money to Hamas [Islamic Resistance Movement]."

Analysis of 'Arafat's PLO, Succession

92AE0312A Tel Aviv YEDI'OT AHARONOT in Hebrew
10 Apr 92

[Interview by Smadar Peri with Professor Yehoshafat Harkabi, expert on the Middle East and the Arab-Israeli conflict, former head of the Military Intelligence Branch of the IDF [Israel Defense Forces]; place and date not given: "'Arafat Was Saved, But His Time Is Up"]

[Text] In the 13 hours that have passed from the time of the disappearance of the antiquated "Super Antonov 26" plane that had transported the head of the PLO, until its wreckage was found in the sands of the Libyan desert, the buds of the internal struggle in the organization's leadership were exposed. While Faysal al-Husayni did not declare himself successor, he took care to send an unequivocal hint to a few senior figures at PLO headquarters who consider themselves candidates for succession. Dr. Hanan 'Ashrawi called from Stockholm to hold

elections for the leadership of the organization, if 'Arafat had indeed died, meeting with furious reactions in the territories.

At the same time, one of those claiming the crown, Bassam 'Abu-Sharif, leaked that the Americans had been asked to aid in the location of the chairman's plane.

Major General (Reserves) Professor Yehoshafat Harkabi, 70, an expert on the Middle East and the Israeli-Arab conflict, formerly the head of the Military Intelligence Branch of the IDF [Israel Defense Forces], has been following Palestinian events for years. In his opinion, regardless of the plane accident this week, the era of 'Arafat in the PLO is over. "It is time for him to hand his position over to a Palestinian bureaucrat."

[Peri] Until two days ago, the entire world was still wondering whether 'Arafat was alive or dead, and what would happen in the PLO after his passing. Let us assume for a moment that this scenario had actually taken place.

[Harkabi] I assume that after 'Arafat, there will be pressure toward the democratization of the PLO. After all, 'Arafat makes sure to manage the organization in a centralist fashion. Everything is in his pocket, only he holds the keys: the bank accounts, the ties with the delegations throughout the world, appointment of the important functionaries. His aides, in effect, are being held in the dark.

[Peri] Does he make decisions without consulting? They do not have any arguments?

[Harkabi] 'Arafat tends to consult, but he keeps the decisions on truly important matters to himself: the determination of positions of principle, like the decision to condemn terrorism and to go toward a political solution with Israel. 'Arafat also decides on operative plans by himself.

One must understand that the fellow runs his life in rather difficult circumstances. He does not head a state, but an organization, and this dictates the difference. 'Arafat moves from hotel to hotel, lives in perpetual fear of assassination attempts. And for many years he has been dealing with a problem of a very difficult, divided people, with a complex history.

Nonetheless, it is incorrect to say absolutely that he is not a democrat. He tends to say, and I quote him, that "it is too early for us to pull an 'Altalena'." In other words, he will not allow the oppression of the "Popular Front" or the "'Abu Nidal" faction. To the contrary, he allows representation and means of expression for every Palestinian front.

[Peri] What kind of "democratic regime" will they attempt to establish in the PLO after 'Arafat?

[Harkabi] If 'Arafat disappears suddenly, without a successor, I estimate that a provisional collective leadership will be established.

[Peri] And here, even before it was known whether 'Arafat was alive or dead, Hanan 'Ashrawi announced that if he had been killed, elections must be immediately held to appoint the successor. Two hours later, in the wake of the commotion that was created, she was quick to be interviewed by an Arab radio station, and to deny it.

[Harkabi] 'Ashrawi's answer is innocent. She is right, from her perspective. If 'Arafat is dead, a new leader must be chosen. This was not rebellion on her part.

[Peri] How, at all, is a new chairman appointed for an organization composed of various factions, with each one of them aspiring to propose its own candidate?

[Harkabi] According to the "Basic Order" document, the Palestinian National Council, which is a kind of parliament, with 365 members, chooses the executive committee, which is the Palestinian Government in exile. The members of the "government" are the ones who will decide who the new chairman will be, after 'Arafat.

But it is important to emphasize that all of the appointments in the PLO are made in the corridors, prior to the convening of the "parliament." Only after all of the deals are closed is the "parliament" convened, and a "democratic" vote is held.

On the other hand, the members of the executive committee of the PLO are not totally dependent upon 'Arafat. While it is true that he does control everything, they, the "ministers," enjoy freedom in voting, for example. Accordingly, among the rest of the fixed tasks, 'Arafat must maneuver among them.

[Peri] One of 'Arafat's methods of maneuvering is by distributing money. He is known for giving more to those closest to him.

[Harkabi] Definitely. This is a famous method of his. For, ultimately, he is the only person with the authority to sign for the large sums of money. And only he knows where certain bank accounts are located.

[Peri] And 'Arafat, like Mubarak, like Asad and Qadhafi, and like Saddam Husayn, has no successor. But in contrast to the PLO, in the Arab states there is a protocol that determines who will be the acting head of state when necessary.

[Harkabi] It is intentional that he has no apparent successor. Incidentally, it is not only in the Arab world, but also here [in Israel], that the leaders do not like to appoint themselves successors, so that there will not be anyone breathing down their necks. This is a kind of Middle Eastern mentality.

[Peri] Who considers themselves successors within the organization?

[Harkabi] I assume that the successor will be elected from within the executive committee. The outstanding

[people] in the group are Muhammad 'Abbas, "Abu-Ma'azan" (the head of the Israeli desk in the PLO), and Yasir 'Abd-Rabbu, who left the Democratic Front and became 'Arafat's confidante, and is his current protege. But 'Abd-Rabbu, despite his good relations with the Americans, has small chance, in my estimate. I am not certain that these relations are to his credit in Tunis.

The person with the best chances, however, is Faruq Qaddumi (head of the political department and the "foreign minister" in the government in exile), who is very close to the Syrians. I am told that Qaddumi has recently become more moderate, but he continues to represent the Syrian line.

I also take into consideration that the Syrian line is the one which will be strengthened soon, since it is the most pragmatic from the Arab perspective: an accord with Israel in exchange for withdrawal. This is the line that the Palestinians espouse. They, like the Syrians, are interested in rapid American intervention. If no progress is made in the political process, this will be, from their perspective, recognition of continued Israeli rule in the territories.

It is important to understand that the Syrians are now acting to heat up the atmosphere with Israel, to create a threat of war, in order to force the Americans to intervene.

[Peri] Will terrorism increase after 'Arafat?

[Harkabi] It depends what the PLO gets from us. If the negotiations become tangled up and continue without them being able to point to achievements, they will enter a very difficult situation. In the territories and the extremist factions, they will be accused of reconciling with the occupation. In this sense, time is to their detriment.

[Peri] What will happen to the PLO institutions? Will the organization fall apart? Will there be violent struggles over the distribution of the inheritance?

[Harkabi] I estimate that they will try to prevent riots, and will appoint themselves a provisional leadership. There will be arguments, of course. But the organization will not fall apart, because the PLO is a Palestinian need. They have a long history of struggles and internal wars, as well as achievements.

[Peri] And after 'Arafat, we must prepare for an increase in the power of the fundamentalist currents. The Islamic Jihad, the Hamas [Islamic Resistance Movement].

[Harkabi] The Hamas movement is the opposition to the PLO in the territories. It is not incidental that there is a decrease in the opposition within the PLO between the umbrella organization and the Popular Front, for example. Their interpretation is based on the assumption that whoever goes against the PLO is strengthening the Hamas. There are no gray areas: there is the PLO and there is the Hamas.

And there is also a range of expectations: prior to the peace conference in Madrid, the power of the "nationalists" in the territories rose, even in Gaza. And now, when it appears to them that they have no hope and that there is no chance of progress, we see that the Hamas is striking strong roots and drawing the young people, as well.

[Peri] What kind of inheritance will 'Arafat leave to those who come after him?

[Harkabi] I am not proficient in the financial aspect and I do not know what the scope of the PLO's assets is. In the political-ideological realm, he is leaving a tremendous achievement: 'Arafat succeeded in turning a deteriorating people into a people known throughout the world, with a hundred [diplomatic] missions, at the very least.

One must also pay attention to the situation of the Palestinians. It is an open secret that the Arabs do not like them, but the Arabs are now devoted and adamant with regard to the resolution of the Palestinian problem.

To us, the Israelis, it is difficult to digest this contradiction. How is it possible that the Arabs, who do not like the Palestinians, would put their problem at the top of their concerns? There is an explanation for this: this link was created after the Palestinian problem had become a symbol for the anger of the Arabs toward the west.

[Peri] When you presented the list of 'Arafat's successors, you did not mention Faysal al-Husayni. He is a "prince," he has considerable charisma, good relations throughout the world, and he is the leader in the territories.

[Harkabi] Husayni cannot be the head of the PLO. He currently views the political process with Israel as the main thing. As soon as he becomes the head of the PLO, he will be moved aside.

I also do not think that he is popular among the Palestinian diaspora, because of jealousy and competition. There is a delicate web of relations between the internal and the external leadership.

This is an interesting situation. Since the peace negotiations began, the center of gravity moved from the PLO leadership in Tunis to the territories. The PLO currently accepts the recommendations of the leadership in the territories, which also demands deciding upon concessions to Israel. Faysal al-Husayni recommended, for example, not to insist upon the inclusion of delegation members from east Jerusalem, to forego a freeze on the settlements as a condition for commencing negotiations and, mainly, not to insist upon the demand for representation of Palestinians from abroad. Those are his recommendations, and they were accepted in Tunis.

In this respect, however, one must also take into account the jealousy of the leadership in the territories on the part of 'Arafat and his associates. The local leadership knows the rules of the game well: they are not elected to

their positions, but appointed by the PLO in Tunis. There are reciprocal relations here. On the one hand, in the territories it is said of the headquarters in Tunis that they are "far away, and therefore they do not know," and on the other hand, they are dependent upon them. And whoever deviates from the rules, will be thrown out.

[Peri] If and when 'Arafat disappears from the PLO leadership, what will be the trend—a rise in the level of terrorism, or going in the path of peace?

[Harkabi] I estimate that if 'Arafat disappears soon, they will give another chance to the peace process. But if there is no progress, the situation will deteriorate, because the ability to control the masses is weakening.

From the perspective of the organization, I instinctively assume that there will be corruption and theft of funds. 'Arafat's financial management was extremely poor—a little notebook policy.

The Palestinians, on the whole, are in bad financial shape, because of the transfer of Saudi support to the Hamas. I think that it is necessary to conduct negotiations with the Americans, so that they can explain to the Saudis the danger to our region if they continue to support the fundamentalists.

[Peri] You are actually proposing that Israel recommend that the Saudi aid return to the PLO, instead of the Hamas? In your opinion, will anyone in Israel volunteer to do so?

[Harkabi] [We] must explain the danger to the Americans. And Israel is also permitted to make recommendations.

[Peri] Minister of Defense Moshe Arens said that if 'Arafat dies, nobody in Israel will mourn for him.

[Harkabi] I am entirely uncertain whether 'Arafat's successor will be more moderate than he. There is a certain advantage to the fact that we know 'Arafat, and he has also become a restraining factor.

Nonetheless, there are those among us who pray that 'Arafat's successor will be an extremist. They want an extremist Palestinian position that will aid us in getting rid of the political process. I view this position as a great insult. Ultimately, this conflict rendered the Arabs smarter and the Jews more stupid.

[Peri] The goddess of fortune smiled yesterday at 'Arafat once again. Do you believe that we will remain with him for much longer?

[Harkabi] I assume that there will be a change of leadership. Nobody can guess when. But I am willing to conclude that 'Arafat's historic role has ended. He led the Palestinian people to negotiations and recognition of a political solution, and now they need a bureaucrat, an administrator, who will take it upon himself to conduct the negotiations.

For years, he has symbolized the idea that the Palestinians are people like everyone. And this is an achievement that he must be credited with. I find that he is also not identified with financial corruption, and leads a modest lifestyle. He irons out matters and takes care of things. I see him as the grandfather of the revolution. Now, they need young blood. 'Arafat is no longer suitable. His time was up as soon as the political process commenced.

[Peri] A personal question. You speak in an alienated and distant tone. Nonetheless, you saw fit to emphasize positive aspects to 'Arafat. What did you feel during the hours when it was doubtful whether 'Arafat was alive or dead?

[Harkabi] I do not have particular feelings toward him. During those hours, I continued to work on the word processor, and I thought to myself: never a dull moment.

Jordanian Partition Plan of Jerusalem Criticized

92P40185A *Jerusalem AL-FAJR in Arabic* 19 Apr 92
p 3

[Text] Undoubtedly, the statements by 'Adnan Abu-'Awdah, the Jordanian permanent representative to the United Nations and the previous director of the Jordanian Royal Court, on partitioning control of Jerusalem into three authorities—Palestinian, Israeli, and international—will weaken rapid Palestinian efforts to assert their right to exercise control over all Palestinian territories occupied in 1967 including, of course, Jerusalem, without distinguishing between the Old City or its surrounding neighborhoods outside the walls.

This means that when these statements are used as a means of solving the Jerusalem problem, the Palestinian leadership will be dragged into another confrontation where its opposition will not only be Israel, but also the UN. Supposedly, according to "Abu-'Awdah's concept," the exercise of control over the Old City in the framework of internationalization will make this Palestinian leadership subject to the accusation of being opposed to international legitimacy.

The most damaging part of this is that the initiative, or the "theory," as Abu-'Awdah terms it, removes the exercise of control of the "East Jerusalem Old City, including the Islamic and Christian holy places," from the Palestinian side and places them under non-Islamic and non-Arab control. This means that, in the context of internationalization, it will be subject to the authority of the "new world order," which uses the UN as one of its executive tools without it being the controlling body. This negates the description of "internationalization," because the UN, with its different agencies, has become a party to international conflicts and not a neutral party, as it is supposed to be. In other words, the Old City of Jerusalem will be removed from Israeli occupation to be immediately placed under new world order occupation.

"whose concept does not contradict that of imperialism." However, given "legitimacy and Arab consensus," its implementation is then in the name of "international legitimacy."

The danger of this initiative, if it is accepted as one of the principles of the solution, lies in that it will increase the difficulty of applying and implementing UN Resolution 242 which forms, according to the concept of current negotiating parties, the basis for reaching a solution to the existing problem. This resolution requires Israel to withdraw from all areas occupied in 1967 and it does not exclude any particular region. If the Old City, as mentioned in the aforementioned resolution, is internationalized, this means that the implementation of the resolution will automatically be removed and a dangerous legal precedent will be created. Israel will be forced to withdraw, but with the exception of those areas it can modify [wording] so that it can maintain settlements, especially those in East Jerusalem.

In this regard, I cannot see the possibility of separating Abu-'Awdah's "statements" from the principles of the new world order. The United States has started applying its "invention," beginning with the destruction of brotherly Iraq and now with the blockade of sisterly Libya. This theory is an attempt to harmonize the basic principles of this system and is directed at preparing Arab public opinion to accept the idea of "internationalization" as the most ideal solution to the Jerusalem problem during further discussions. It follows from this that there is more of a possibility of absorbing Arab reaction by applying the "idea" of force if there is failure in obtaining agreement by the warring parties.

It is clear that Abu-'Awdah's initiative came at the time he received his new position at the UN, and that he wanted it to take on an international dimension. It follows that opposition to the new world order concept "if it is set up" means opposition to international legitimacy, and its effects are decisive and not subject to independent judgment.

Fatah Council Session Reportedly Airs Schisms

92AE0366A Beirut AL-SAFIR in Arabic 10 Apr 92 p 8

[Article: "AL-SAFIR Publishes Minutes of Latest Fatah Revolutionary Council Meetings; Opponents Demand 'Arafat Give Up Power, Finance Monopoly'"]

[Text] Tunis—A Palestinian source that participated in the proceedings of the Fatah Revolutionary Council has disclosed the details of the difficult days experienced by the participants because of vehement and heated debates unprecedented in Fatah's history.

Perhaps the political and organizational climate which preceded the proceedings of the Revolutionary Council Conference contributed to creating the vehemence that nearly led to results which would have been open to all possibilities.

Before embarking on the details of what happened inside the closed hall that included 89 out of a total of 108 members forming Fatah's Revolutionary Council, one must go back to the political and organizational climate which preceded last month's conference.

Overstepping Controls and Conditions

What happened in Tunis dates back to what had happened in Algiers during the latest PNC [Palestine National Council] conference. According to an informed Palestinian source, that conference had established controls and conditions for embarking on a settlement. Though the PNC gave Yasir 'Arafat the power of the ultimate decision, it made it conditional that he adhere to the established controls and conditions. This happened in the absence of more than one-third of the independent members and leaders. Minutes before the voting process, 'Arafat appointed 12 members to replace absent members, keeping in mind that replacement cannot be made after a meeting or between two meetings, but must be made prior to the start of the meeting. One of those affected is Hani al-Hasan, who was replaced by [Mansur] Hamdan.

When the peaceful settlement process began to move in the direction of holding the Madrid Conference, both secret and open contacts were held with the Palestinian leadership—with Yasir 'Arafat specifically. It became evident from the course of developments that many of the established conditions and controls had been overstepped. The developments can be defined as follows, without chronological sequence:

It is noted that since May 1991, 'Arafat started forming a working group consisting of 'Arafat himself, Abu-Mazin (Mahmud 'Abbas), Nabil Sha'th, 'Imad Shaqqur, Ilyas Sanbar, George Salim, and Bassam Abu-Sharif.

Some members of this group arranged talks with the Americans (national security) and the arrangements were made in a meeting at the town of Statford and culminated in the approval of a document called the Statford Document, which was signed by the Israeli side, in addition to the Palestinian and U.S. sides. (Text of document published elsewhere)

Combining Money, Security, and Policy-Making

Yasir 'Arafat has taken over the duties of all Fatah Central Committee members who have been martyred since 1982. So he became the official in charge of the occupied territories when Abu-Jihad was martyred and the official in charge of unified and central security when Abu-al-Hawl was martyred. Thus, Abu-'Ammar has become the only one who controls the money and security.

'Arafat has controlled a special budget exceeding \$18 million monthly.

He has brought elements from outside Fatah to surround him and to draft the settlement. This has caused "congestion" within the movement. The proof is that the working team includes Bassam Abu-Sharif, Ilyas Sanbar, Camille Mansur, Hanan 'Ashrawi, and George Salim (Hanan 'Ashrawi's maternal uncle who was budget chief during Reagan's administration and who is entrusted now with taking the minutes of the sessions and drafting proposals to counter the Israeli proposals).

Madrid Brought No Gains

Moreover, the developments which pushed the process toward Madrid have led to making concessions without any gains made in return. The Central Committee made it conditional that suspension of settlement construction be declared as a precondition to participating in Madrid. Faysal al-Husayni told the Palestinian leadership that U.S. Secretary of State James Baker informed him that settlement construction would be halted with the start of the Madrid meetings. Everybody was surprised that the Madrid meetings started and ended and that the third round of talks was completed in Washington without anything occurring within this context.

Revolutionary Council: The Test

In this climate, the Revolutionary Council convened in the presence of an absolute majority (89 out of 108 members). 'Arafat immediately realized the depth of the restlessness and protest, especially since more than half the Central Committee opposed or no longer accepted 'Arafat's monopoly on power. This is why he employed the tactic of freezing the Central Committee and the Revolutionary Council and called for holding a general conference (a Fatah conference is comprised of 250 members, including members of the Revolutionary Council, the military, cadres from Fatah's various agencies, and so forth).

If Friendship Is Broken!

Everybody was surprised to hear 'Arafat make this call in his opening address, especially since he had announced that he was unable to reach an understanding with Fatah's Central Committee and that trust was lost between him and the committee, citing the Arab verse which starts with the words "if friendship is broken..."

'Arafat then proposed that a committee be assigned to manage things during that transitional period, and that a meeting be held after the "conference," i.e., three months later.

Opposition's Interpretation

Opponents in the Revolutionary Council viewed this proposal as an endeavor on 'Arafat's part to:

1. Paralyze Fatah until after the Israeli elections, when it will become clear what direction matters are taking. It is no longer a secret that a heavy wager is placed on a win

by Yitzhak Rabin, the Labor Party leader, and that Jerusalem Arabs will vote this time in the interest of the Labor Party.

2. Obstruct a rearrangement of Fatah's internal conditions at the present time so that he can continue to monopolize decision-making.

Confrontations and Provisions

Because the participants were aware of these objectives, the Revolutionary Council put the organizational issue as the first item on the agenda, ahead of the political issue. The conflicting positions taken by 'Arafat and the majority of the council members led to heightened tension between the leadership and the members, and to verbal exchanges unprecedented in the council since Fatah was founded.

At the end of his address, 'Arafat insisted on the principle of the organizational "conference," stressing that the constitution calls for its convocation and that the conference was already six months late. At this point, the constitution was read and it became evident that none of its provisions called for holding a "conference" unless the Revolutionary Council decides on it at the request of the Central Committee.

At this point, Yasir 'Arafat withdrew in protest of this confrontation. Instead of adjourning the session, as was customary in previous councils, the meeting continued and a decision was made to convene the Fatah Central Committee from the 17th to the 20th of this month [April] to implement the bylaws in a manner compatible with the constitution, i.e., to fill the positions vacated by the martyrdom of a number of leaders, to enlarge the Central Committee, and to form a political committee to oversee the negotiations.

It was noted during this meeting, held in the absence of Yasir 'Arafat, that all Central Committee members stayed in the hall and took part in the meeting, excluding Hakam Bal'awi, al-Tayyib 'Abd-al-Rahim and five (out of 23) members of the Military Council, including Brigadier General Abu-al-Mu'tasim (over 70 years old); Fathi, the officer in charge of the navy and in charge of guarding Abu-'Ammar previously; Abu-Ziyad; and Fu'ad al-Shawbaki, the finance officer.

Restlessness Among Military

The surprise was that a military officer such as al-Hajj Isma'il (who abandoned the front during the 1982 invasion and who 'Arafat kept on, despite all the accusations made against him) refused to join Abu-'Ammar. This radical position by the military is due to the difficult financial conditions under which fighters and lower-ranking officers live. The cause of this condition is that 60 percent of a fighter's salary is paid in local currency and 40 percent in dollars.

Third Day

On the third day, 'Arafat returned to the meetings and again proposed the idea of holding the conference and tried to cancel the resolutions that had already been made. But confronted by the members' vehement position, he withdrew a second time. Again, the military refused to join him, especially since the participating Central Committee members, who represent the majority, had adopted the military's financial cause.

Fourth Day

The debate on the political issue started on the fourth day. Abu-al-Lutf and Khalid al-Hasan went to Abu-'Ammar's office and brought him to the meeting, either on [prior] agreement with him or on their personal initiative. It was noticed that Hani al-Hasan declined to respond to the request to join Abu-al-Lutf, Abu-al-Sa'id (Khalid al-Hasan), and their companions [to go and bring back 'Arafat] on the grounds that he wanted to hear the address given by Abu-Mazin in order to respond to it. Abu-'Ammar did actually return to take part in that session, which was dominated by tranquillity and order.

Al-Qaddumi Address

Abu-al-Lutf then took the floor, emphasizing that "We have participated in the negotiation process in Madrid and Washington for three reasons:

"1. To break the political blockade to which we have been subjected because of our support for Saddam Husayn, who has not been fortunate and who has been defeated this time.

"2. For the sake of survival, considering that the British ambassador in Tunis came to me and told me that we either agree to Madrid or face annihilation.

"3. To put a halt to settlement construction."

"I don't expect the process to lead to other results. This process will fail and come to an end, and we will survive."

And Abu-Mazin

Then Abu-Mazin, who attended only this meeting and not the previous ones because of his disagreement with 'Arafat over the course of the negotiations, took the floor to say: "What is happening is an important historical event. Since 1920, the Palestinians cannot remember participating in any conference concerning the Palestinian issue. What is happening now will live forever in the Palestinian people's history. The Israelis have sat face-to-face with us in Washington. We have ended the phase when the Arabs kept us out of such meetings. We have formulated an intelligent plan. The joint Palestinian-Jordanian delegation has turned into an umbrella, not a framework. Consequently, we have wrenched away independence for the Palestinian delegation and Palestinian representation. We are now awaiting the development of three mechanisms:

"1. The first mechanism has begun to bear fruit within Israeli society. Yitzhaq Rabin is going to assume power and the Labor Party will agree to deal with the Palestine Liberation Organization. It will agree to self-rule in months and it will agree to put a halt to the settlements.

"2. A U.S. mechanism is developing in the interest of the Palestinians now. We must preserve the U.S. position by backing it. It is expected that there will be a transformation in the Arab position. All we want of this position is to finance the intifadah [uprising].

"The biggest proof of the soundness of this political line, of whose engineers I am proud to be included, is the drop in Russian Jewish immigration to Palestine."

At this juncture, Haydar Ibrahim, the Workers Federation general secretary, interrupted Abu-Mazin to say: "What has reduced the immigration are the axes, not politics." Abu-Mazin responded: "Then let us have more axes."

Hani al-Hasan Address

It was then Hani al-Hasan's turn, who had distributed a 50-page memorandum entitled "Returning to the Sources," which deals with how the political line for participation in the settlement has developed and with how this participation should take place (a draft document for dialogue). Hani al-Hasan said: "We support the principle of a political settlement, but we are opposed to the political settlement in which the cards were given away before the process started. I reject, in part and parcel, what Abu-al-Lutf and Abu-Mazin have said because the main slogan of the current settlement line is 'security for peace.' The homeland cannot be the price for survival and for breaking the political blockade. 'Fatahism' will not fall. We may be a generation of steadfastness, not of liberation, but we must not be those of whom history will say: 'They are the ones who squandered the land and the Palestinian state.' This is why I have expressed my opinion in writing. What we do belongs to history and concerns the Palestinian people's future. Let each of us put down his opinion in writing and let Chairman 'Arafat begin by putting down in writing a political formula that defines his viewpoint." Al-Hasan then added, addressing his words to 'Arafat: "I know that you will not do such a thing because you do not know what the Americans will demand of you later."

Concluding, Hani al-Hasan said: "The negotiations should not be continued unless it is agreed that there will be sovereign self-rule and that this self-rule must be linked to the final solution, and unless it is resolved that the UN Security Council will apply Article 7, which it has already applied against Iraq, if Israel fails to implement the accords within three years of the date of the final solution. Otherwise, the Greater Israel will be established."

"The way is to choose our alliances. It is essential to establish the northern region bloc to confront the situation, especially since President Hafiz al-Asad has proven that he is a statesman."

And Khalid al-Hasan

In his address, Khalid al-Hasan proceeded to explain the difficult international circumstances that dictated going to Madrid and dealing with the settlement. He then tried to expound the solution, which he offers in a book he has written. In this book, to be published, he proposes a solution in the Swiss fashion, i.e., creating "cantons."

At this juncture, the situation flared up. Hani al-Hasan (Khalid al-Hasan's brother) interposed and a heated debate ensued. Hani asked Khalid "not to offer ideas that have nothing to do with the movement. The conference is not the 'Ukaz Market [pre-Islamic market in which Arab poets recited their verses] in order that everybody should recite the verse he likes."

After the participants intervened to calm down the situation, Khalid al-Hasan concluded his address, acknowledging the "risks of the results brought about by going to Madrid. A serious pause must be taken to examine these risks."

'Arafat Concludes

At this point, Abu-'Ammar asked to speak. He requested calmly that the "council adjourn its sessions, because voices outside have begun to talk about its activities." He also requested that the council issue a statement to be drafted by a committee in a manner that will not allow the "foes to exploit it, especially since there can be no backing away from the political process. This is an election year in Israel and in the United States. I am prepared to hold a discussion on the political situation afterward."

'Arafat's word constituted a temporary end to the conference proceedings. A final statement was written and it was noticed that in drafting it, 'Arafat used the phrase "engaging in all forms of struggle" to replace the phrase "armed struggle." He also rejected use of the phrase the "delegation was appointed" or the "Central Committee appointed the delegation." According to what 'Arafat's aides have said, it is "currently impermissible to make reference to this issue. The only phrase permissible is 'there is no objection to the delegation's consultation with the Palestinian leaders.'"

Thus, the council adjourned its activities, with the provision that Fatah Central Committee convene from 17-20 April 1992. It is evident from the conference proceedings, and from its outcome, that there is strong opposition to 'Arafat's concentrated control of the organizational and financial powers. But the endeavor to translate this opposition into organizational stances against 'Arafat himself could not stand on its own feet, as proven by the fact that 'Arafat was ultimately able to dictate the statement that he deemed fit (this is due to

the fact that 'Arafat has firm control of the financial conditions that concern everybody).

Our Palestinian source has asserted that the confrontation is still open and that the "Central Committee proceedings will be effective this time. If 'Arafat fails to respond to the bylaws, the Revolutionary Council will be asked to implement the resolutions."

All this took place before ['Arafat's] plane crash in the Libyan desert. Now, one has to wait for the ramifications of this incident for the Executive Committee and Revolutionary Council members, considering that, as leaders, as the Fatah Movement, and as the PLO, these members have been faced with the big question: What is to be done if 'Arafat disappears suddenly?

Barqawi Responds to Hawatimah Criticism

92AE0366B Nazareth AL-SINNARAH in Arabic
24 Apr 92 p 2

[Telephone interview with Dr. 'Abd-al-Rahman Barqawi, Palestinian Communist Workers' Party Secretary General, by Ahmad Hazim in Berlin; date not given: "Dr. Barqawi: 'Nayif Hawatimah Faction's Assault on Us Reflects Intellectual, Political Bankruptcy; Faction Offered Our Offices for Sale in Public Auction, Demanded That We Halt Dialogue With Yasir 'Abd-Rabbuh'; Palestinian Communist Workers' Party Secretary General Talks About Crisis With Nayif Hawatimah, Alludes To Lebanese Army Collusion Against His Party"]

[Text] [Hazim] What reasons have motivated the Nayif Hawatimah Faction to engage in acts of aggression against your presence in Lebanon?

[Barqawi] The immediate reason which the Hawatimah Faction has used as a pretext to attack our comrades and to occupy our party offices and institutions in Lebanon is our dialogue with the Democratic Front (reformed), led by Yasir 'Abd-Rabbuh. As soon as the faction learned that the unity-oriented dialogue between us and comrade Yasir 'Abd-Rabbuh and his colleagues had achieved a degree of success on the path of unity and of building a unified Palestinian leftist party, it engaged in a number of acts of intervention and it fabricated problems to impede the dialogue and to foil the endeavor for unity. The faction did not hesitate to use the most banal means in its sabotage effort. It tried to incite our comrades against us and offered them vast sums of money to create a split in our party ranks.

When all these unprincipled means failed, the faction resorted to threats embodied in the attempt on the life of comrade 'Adnan Musa, the secretary of our party organization in Lebanon and member of the Palestinian National Action Leadership in the Lebanese arena. At noon on 19 March, the faction agencies launched an armed attack on our party offices and institutions and occupied the Educational Roots Institute—a children's nursery and kindergarten. They also occupied a number

of the homes of our comrades, displacing their families and children. The Hawatimah Faction has justified this conduct by saying that it seeks to obstruct the revival of any 'Abd-Rabbuh-led reform activity in the Lebanese arena under the guise of the new unified party!

Very frankly, I say that the Hawatimah Faction's persistence in occupying our party offices; the continued pursuit of our comrades by the faction's security agencies; and the faction's offer to sell our party offices and institutions in public auction; despite the strong condemnation of this conduct by all the national Palestinian, Lebanese, and Arab forces operating in the Lebanese and Syrian arenas—I say that this conduct reflects how intellectually and politically bankrupt this faction is. It also reflects the depth of the organizational crisis that the faction is experiencing and how scared the faction is of the critical reform line and positions that have formed the meeting point between our party and the DFLP reform-oriented tendency that is led by comrade Yasir 'Abd-Rabbuh.

What is truly surprising is that the Hawatimah Faction gives itself the right to custodianship over, and to arrogant intervention in, our affairs, thus violating all civilized democratic traditions, and to trying to obstruct and foil our unity-oriented dialogue with the democratic reform tendency led by Yasir 'Abd-Rabbuh. The faction gives itself this right while establishing, at the same time, its alliances with Hamas Movement in Palestine and with the Muslim Brotherhood in Jordan!

[Hazim] Do you think that these acts are personal acts or that they are supported by a higher political group?

[Barqawi] Initially, our comrades thought that the harassment and the provocations from the faction's security apparatuses in Lebanon, and the threats made by the faction leadership there, reflected a local position by the faction's organization in Lebanon. When we contacted Hawatimah and his Political Bureau in Damascus, they initially pretended that they were unaware of what their comrades in Lebanon were doing. But they asked us frankly to stop the dialogue with comrade Yasir 'Abd-Rabbuh so that their comrades in Lebanon could be pacified. We pointed out to them that we are an independent organization and that we refuse to have any positions dictated to our party. They asked us to give them a day to examine the situation. The next day, we were surprised to find the Hawatimah people declare a general mobilization in the DFLP, form an emergency command of the Political Bureau members, and amass security forces from outside Lebanon to besiege our party offices and institutions in Lebanon. The Political Bureau dropped all its masks and declared its conditions, which are alien to everything civilized, patriotic, democratic, and responsible. We became certain, then, that brother Hawatimah was managing the emergency operations room personally, accompanied by Abu-Layla, Abu-Adham, Fahd, Ramzi, 'Ali 'Atris, and others whose names I cannot recall now.

It is very perplexing to us how the Hawatimah Faction was able to move those security groups across the Lebanese borders to besiege our homes in Sidon under the eyes of the army barricades and of the intelligence centers! This point raises questions that require further investigation and analysis.

[Hazim] What is your political position now in wake of all that has happened?

[Barqawi] Occupying offices and institutions cannot occupy the strugglers' will and mind. Suppression and terrorism will only make the real struggler more determined and resolved. Our party, which is present wherever our people are gathered, especially in the occupied Palestinian territories, carries on with its struggle side-by-side with all our people's strugglers, who strive under the banner of the Palestine Liberation Organization [PLO], our people's sole legitimate representative. But in the Lebanese arena, our comrades have—under the threat of terrorism by the Hawatimah Faction and out of their eagerness not to be drawn into the faction's barbaric methods and to avoid posing a threat to the security of our camps and our steadfast people in Lebanon—resorted to underground action until other circumstances develop and enable our besieged people there to regain their freedom to struggle justly side-by-side with all the sons and gatherings of our steadfast people, until the language of democratic dialogue triumphs, and until our people's national unity is founded more firmly on the basis of this language, without any custodianship, annexation, or containment of any front.

As for our unity-oriented dialogue with the comrades in the DFLP—the reform tendency led by comrade 'Abd-Rabbuh, we are moving forward firmly and resolutely with our dialogue. We have made great progress toward establishing unity between our two parties on the way to a unified leftist Palestinian party.

[Hazim] What is the other Palestinian factions' position toward the Hawatimah Faction's acts?

[Barqawi] All the independent Palestinian national factions have condemned the Hawatimah Faction's conduct toward our party, and they have demanded an end to its intervention in our party affairs and to its occupation of our offices. The Palestinian national leadership in Lebanon has done the same. The Palestinian leadership in Tunis has also strongly denounced the Hawatimah Faction and its conduct. Our party's position, which is characterized by self-restraint and by concern for national unity and for the safety of our people's camps in Lebanon, has received full solidarity and appreciation from the various national forces. It is not surprising that the Hawatimah Faction's acts have received the support of forces whose loyalty and will is not Palestinian and have been condemned by all the PLO forces and factions and by all the national democratic organizations and figures who are independent in their positions, loyalty, and will.

[Hazim] What role has the Palestinian leadership played in this regard?

[Barqawi] As I have already noted, the Palestinian national leadership in Tunis, headed by brother leader Abu-'Ammar, has denounced all the acts of aggression to which the Hawatimah Faction has subjected our party, and it has demanded that this faction end its aggression, evacuate our party offices, and put a stop to the selling and the plundering in which the Hawatimah security apparatuses have been engaged. The leaders have also asked Hawatimah to return the displaced families to their homes, to evict those who have occupied these homes, to return the institutions' contents and the party's official papers and seals, and to put an end to the falsification in which the Hawatimah propaganda apparatuses are engaged.

On our part, we have agreed to the proposal of the Palestinian national factions, the Palestinian National Action Leadership in Lebanon, and the leadership of the Palestinian popular organizations there, to place our party offices and institutions under the supervision of the Palestinian National Action and Armed Struggle Leadership when the people occupying them are evacuated. This will be done for a transitional period, so as to ease the tension and to paralyze the suspect hands that are loyal to non-Palestinian circles and to prevent them from finding excuses to intervene in our people's life and revolution inside 'Ayn al-Hulwah Camp. But the Hawatimah Faction has rejected all these solutions, taking advantage of our party's and the PLO's eagerness to prevent bloodshed among our people and to safeguard the security of our steadfast camps in southern Lebanon, which are subjected to all forms of blockade, starvation, and nearly daily aggression.

The Hawatimah Faction continues to try to sell the contents of our offices, but nobody has shown interest in getting involved in this disgraceful act, which evokes the condemnation and disgust of all inhabitants of the steadfast and heroic 'Ayn al-Hulwah Camp.

Description of Palestinian Health Care Network

TA3004160192 Tel Aviv HADASHOT in Hebrew
30 Apr 92 p 4

[Text] The key sentence in the Israeli proposal to transfer the treatment of all topics of health in the territories to the Palestinians is that the issue will be handled by the Palestinians in a "completely independent manner." Presently, two health care networks operate in the territories. Most of the large hospitals belong to the governmental network. All their employees are Arab, but the responsibility for their management is in the hands of the Civil Administration. The second network is the local health care system which includes, among others, clinics and hospitals supported by the PLO, Arab states, or foreign volunteer organizations.

The local health care network in the territories is plagued by operational problems. About six months ago fighting

arose in the al-Ittihad Hospital in Nabulus due to a conflict between political factions, and foreign elements expressed doubt in the Palestinian ability to operate even the subject of health. However, there is a reserve of professionals in the area of health in the territories who would be able to take the mission upon themselves.

The founding of the first independent Palestinian mechanism which will function independently, including financial management, will be an important springboard for the Palestinians which will assist them in receiving authority in other areas as well, and the channel of finance that would be formed would be able to advance additional political objectives and to strengthen the force of the central stream, Fatah, in the territories.

ALGERIA

Installation of CCN: Reactions to Boudiaf Speech

92AF0739A Algiers ALGER REPUBLICAIN in French
24-25 Apr 92 p 3

[Article: "Boudiaf Speech Brings Country New Hope"]

[Text] The installation of the National Consultative Council [CCN] and President Boudiaf's program-speech provoked diverse reactions. Forty-eight hours after the event, despite its great importance, the political parties were not yet falling all over themselves to express their opinions. What interested them most was the composition of the CCN. The party positions thus far expressed are divergent. Some parties condemn the choices, some are reserving judgment, and others firmly support both the composition of the council and the president's speech. The PST [Socialist Workers Party], through its spokesman Mr. Chawki, told APS that the HCE [High State Committee] chose its advisers from among "its small group of supporters." He added that Mr. Boudiaf, who is "putting together a single coalition while denouncing the single party, is faithfully pursuing the liberal reforms that were launched by his predecessor, Mr. Chadli Bendjedid, and demanded by the IMF."

The FFS [Socialist Forces Front], in a statement to AFP, noted "the great ambiguity about the authority of the CCN." Commenting on "the opacity and secrecy" that surrounded the creation of the CCN, the FFS believes "this is not an institution that can restore the interrupted democratic process."

The MJD [Democratic Youth Movement], in a communique to our editorial staff, says the council members—whose average age is only 37—are not representative of young people. The MJD goes further, accusing them also of being "beneficiaries of Article 120."

Standing fast by their clear and unambiguous prodemocracy strategy, the PAGS [Socialist Vanguard Party] and RCD [Rally for Culture and Democracy] describe the CCN respectively as "predominantly patriotic and modernized" and a "useful" body.

The RCD said it considers the most important part of Mr. Boudiaf's "program-speech" (which it described as "cogent") its "clear-cut affirmation of the option of a national future grounded solidly in modernity and democracy."

The PAGS, through its political bureau coordinator, said the "great clarity" of Mr. Boudiaf's speech "is going to have an impact on the evolution of the political situation in Algeria." It added that the speech "will contribute to clarifying the political debate and crystallizing the forces that are for and against the goal of a modernizing and progressive society."

The APUA [Popular Association for Unity and Action], though for the moment refraining from "expressing a value judgment" on the members of the CCN, voiced the hope that the selections made "may contribute to the restoration of national activity."

The FLN [National Liberation Front party] refused to comment, pending a meeting of its political bureau scheduled for tomorrow.

Magistrates

The national syndicate of magistrates Thursday announced a five-day postponement, until 16 May, of its decision to take off the robes, after expressing satisfaction with the speech delivered by Mr. Mohammed Boudiaf, president of the HCE, at the installation of the consultative council, during which Mr. Boudiaf emphasized his understanding of the magistrates' problems and his support for the judiciary and its independence.

At a press conference at E'Safir house [text illegible], the president of the national syndicate of magistrates reaffirmed the decision to hold rallies in courthouses and at the Supreme Court on the dates previously announced (30 April for courthouses and 7 May for the Supreme Court).

In response to the recent attacks on judicial bodies, the syndicate president noted that "the judicial institution is the most competent and the cleanest, compared to the other sectors responsible for the collapse and sabotage of the national economy."

He also said "magistrates were not responsible for managing public funds or elaborating the previous policy," adding that "magistrates don't own companies or mansions, nor are their pockets lined with petrodollars."

Finally, he reaffirmed the willingness of magistrates to submit financial statements and cooperate with inspectors.

Citizens

The installation of the CCN and the speech delivered on that occasion by Mr. Mohamed Boudiaf prompted much discussion among citizens over the weekend.

Regarding the consultative council, which is supposed to compensate for the absence of the National Popular Assembly, many people were quick to admit they do not know all the members that make it up.

"Except for a few personalities like Mrs. Greffou, for example, I admit the majority of CCN members are unknown to me," said Sabrina, a young teacher.

"For me, the question is not whether everyone on the CCN is well-known," says Ali, a student at Blida. "We were promised people who were honest and had integrity, and I hope the choices made were good ones. At all events, the future will tell."

And indeed, what most people were really concerned about was whether the choices were good ones. Mr. Belkacem, a retiree, tells us: "We were expecting radical change. I hope Mr. Boudiaf was able to find people capable of following through with the changes the citizenry are so eager to see."

It seems that citizens don't feel they have enough information yet to make a definitive judgment on the CCN, though the press has published a complete list of its members. However, publication of the list put an end to some of the rumors circulated in recent days.

Also, the speech by the president of the HCE provoked popular debate. Many people who thought the president's address a good one told us the most important thing now is to put his words into action.

Points of the speech especially well-received by citizens included the struggle against corruption, restoration of the authority of the state, social justice, and agricultural recovery.

Speaking of corruption, Mr. Omar, a veteran taxi driver, told us: "President Boudiaf has done much to reassure us, saying that the war against corruption will be pursued." He added that "now it's time to move into action, pursue the investigations and put the thieves on trial."

This opinion is shared by Belkacem, who opines that "if the radical changes on which so much hope is riding are to succeed, corruption in our country will have to be eradicated."

As for Ali, the student at Blida, he says "it has been a long time since Algerians have heard a sincere speech. It was a real program-speech. Now the important thing is to put it into practice."

In sum, it seems that regardless of what decisions are made, citizens are chiefly concerned that they be put into effect.

Women

Among the interesting features of the CCN is the fact that six of its members—10 percent of the total—are women. It is the first institution to contain such a large proportion of women.

We sought initial reactions to this aspect of things from a number of well-known women, including some who tomorrow will be sitting in the Zighout Youcef palace.

According to Mrs. Touati of the "Voice of Women of Boumerdes" association, the number of women sitting on the CCN is important insofar as "it is one indicator of the policy implemented by the HCE," although she has "some reservations about the real potential for women's actions on the CCN, the government having stated recently that a review of the Family Code is not one of its priorities."

That opinion is not shared by Mrs. Messaoudi, who while anxious to put the 10-percent figure in perspective—"Women make up 50 percent of society"—also says she is sure to find male colleagues on the CCN who are strong defenders of women's rights. Ms. Drif Bitat says the important thing is that there are some women on the CCN. As she sees it, the percentage is not that important. She is going to wait to see how the CCN operates before judging it—as are Mrs. Touati, Sonia, and Achrar. Sonia, a well-known actress, regrets there are not more jurists among the members of the CCN. Happy to see some women with whom she is well-acquainted sitting on the council, she says the men and women serving on it face a difficult task. "They will have to sacrifice themselves for the job." Our colleague Malika Abdelaziz does not believe she was named because she is "a woman." As an information professional, she notes that of the six women on the CCN, only two can be seen as named because of their sex. The others were appointed because of their competence in various domains. Malika Abdelaziz wants to see the CCN do its job with maximum effectiveness: to help amass all possible information to help the institutions concerned make their decisions.

Mrs. Achrar, a university instructor, stresses the need for every citizen to get involved, concern himself with the country's future, and try to weigh in to make sure correct decisions are made. She is pleased with the composition of the CCN but refuses to give it a blank check. She is revolted by the persistence of parochialism at the party level and the passivity about such serious issues as the assassination of policemen. The success of the CCN, according to Mrs. Achrar, will greatly depend on the involvement of citizens and civil society.

Mrs. Zineb Laouedj is delighted at women being named to the CCN but especially pleased about the large number of intellectuals. For her, "these are important assets in helping the CCN get a deeper understanding of the conditions of our people." Mrs. Laouedj, in an allusion to the Family Code, expressed the hope the number of women on the CCN does not decline from six to three.

All our female interlocutors insisted the CCN must play the role of "adviser," not "legislator." They expressed the hope there would be no confusion about their authority.

Besides expressions of satisfaction, all our interviews educed the necessity of getting down to work to resolve the crisis and establishing the conditions for a return to institutional normalcy.

World of Sports

Two personalities from the world of sports were called to sit on the CCN: Mr. Mustapha Larfaoui, president of the International Swimming Federation, and Mr. Si Mohamed Djamel, president of the Algerian School Sports Federation.

Reaction within the sports community to these appointments was on the whole favorable, particularly because both individuals are well-known for their integrity and dedication to sports.

According to Mr. Si Mohamed Baghdadi, "it is a good thing for the Algerian sports world to be represented by two international sports personalities. Even though the council will not have the power to initiate action once its role is reduced, it remains important for the establishment of a climate of concord between the various poles of society and will facilitate a calmer transition."

Mr. Rachid Harraigue, member of the federal council of the FAF [expansion not given], seems pleased that sports, like other components of civil society, is represented on the CCN. Commenting specifically on the appointments of Mustapha Larfaoui and Si Mohamed, he says: "Since I don't know Mr. Si Mohamed Djamel very well, I will speak only of Mr. Mustapha Larfaoui, who is a very respectable person whose sound judgment is held in high esteem."

In pointing out the connection that exists between sports and youth, Mr. Ali Fergani told us: "Given the importance of youth these days, it was to be expected that sports figures would be named." Asked for his opinion about the overall composition of the CCN, he said that to have credibility, the members of this council will have to take concrete steps to fulfill the aspirations of young people.

"We are also expecting a lot from the HCE, especially from Mr. Boudiaf, who after a long time in exile has come back to the country at a very difficult moment." That was how Mr. Ali Fergani concluded his remarks on the subject.

Press

Many editorials and front-page stories on Thursday expressed approval of Mr. Boudiaf's determination to break with the old order and institute a program of action. The dailies also approved the CCN's composition.

After pointing out that Mr. Boudiaf presented an "inventory of assets" and a veritable political program rather than just a list of accomplishments in his 100 days as head of the HCE, EL WATAN's editorial writer questioned how successful Mr. Boudiaf will be in convincing

the "skeptics." The same editor emphasized the difficult hurdles that lie ahead for the HCE president.

According to A. Ancer of the same paper, the most noteworthy fact was that a majority of the CCN is composed of academics, indeed of academic luminaries.

Commenting on the tasks facing this new institution, Ancer wrote that it is a real challenge and an acid test. Last, he noted the importance of the CCN, on which the democratic future of the country depends, since its failure would strengthen the forces of inertia and regression.

EL MOUDJAHID said it was a clear political program not only because it broached all the important questions but also because it spelled out conditions for the continuation of the democratic process.

The same daily published lengthy extracts from Mr. Boudiaf's speech, notably those relating to the latter's determination to build a democratic and pluralist society, one in which young people will also have an important role to play.

Mr. Semghouni emphasized the CCN's broadly representative character.

HORIZON published extracts from Mr. Boudiaf's speech, along with statements from various members of the CCN, including the provisional president, Mr. Mustapha Lachref, who said he would accept the position as a patriotic duty.

LE MATIN, in an editorial, emphasized Mr. Boudiaf's determination to make a start on far-reaching changes and his commitment to modernization, which seems more pronounced than it did on his arrival.

Fodil Ourabah, editor in chief of ALGER REPUBLICAIN, in an editorial titled "double rupture," wrote that "very few people thought Mr. Boudiaf was likely to succeed when he became head of state.... In fact, he was regarded more as a stooge who would serve to facilitate a painless transition than a real statesman who would preside over the country's destiny. But he moved very quickly to undeceive the host of skeptics." Summarizing the basic elements on which the president's program is based, the editorialist concluded: "It seems from his orientation speech that Boudiaf is proposing qualitative change for the country...the necessity of a double rupture: a rupture with fundamentalism, and a rupture with the old regime." By way of conclusion, Mr. Ourabah argues that the president "knows that the next step, the most decisive, is to move on now from general principles to action, to convince the public, and ultimately to give the project of a modern society the broad base of popular support it requires."

Malek's Press Conference on CCN Assessed

92AF0754A Algiers LE SOIR D'ALGERIE in French
28 Apr 92 p 2

[Article by Ali Habib: "CCN: the New President Meets the Press, 'Without Any Ceremony'"; first paragraph is LE SOIR D'ALGERIE introduction]

[Text] The National Consultative Council [CCN] held its first press conference on the afternoon of 26 April at 1730 at the APN [National People's Assembly] building to explain its powers and functions to the national media, the only information organs invited to the meeting.

Algiers (LE SOIR D'ALGERIE)—Just as the CCN did at its preceding "closed door" session (the door was closed for practical reasons), we were invited by Redha Malek, president of the CCN, to study the draft regulations of this body. First of all, the regulations seem to be very flexible in permitting this consultative council, "which has no intention of replacing the APN, to help the High State Committee [HCE] bring the situation in the country back to normal." In substance Redha Malek said that, "What was decided was the electoral process and not the democratic process."

To do that, the procedure is simple. The HCE will present a number of cases for study by the CCN which, in reply, will make recommendations by majority vote on the subject under debate and draw its views to the attention of the HCE, including the views of the minority. Furthermore, the CCN can also take the initiative in a dialogue with the HCE on all subjects. Acting in a pragmatic way, the CCN has already set up five sections for which a rapporteur and a deputy rapporteur have been elected.

It was learned that matters for consideration by the National Consultative Council have already been sent to it. However, as it does not wish to be a simple "rubber stamp" council, it will need a great deal of effort and vision, in particular, to develop priorities for its future action so that finally it will be able "to build the institutions of a strong state." And although its mission has real importance, the fact remains that, "Public opinion will be the only judge."

At the meeting the presentation by Redha Malek was followed by a number of questions from the reporters. However, the answers were not totally satisfactory, due to the fact that this council has just been established and consequently has not had any real opportunity to acquaint itself with all of the facts.

Even so, we noted the excellent impression that the president of the CCN made on all of the press representatives. The meeting, as "a dialogue based on mutual respect," could not fail to be a success!

Composition, Structure of CCN Discussed

92AF0754B Algiers ALGER REPUBLICAIN in French
28 Apr 92 p 3

[Text] For technical reasons we were unable, in our edition of 27 April, to provide the list of officers of the National Consultative Council [CCN], as well as the composition of the different sections that have been elected within it.

Each section is composed of a rapporteur and an assistant rapporteur. It is known that the 10 members of the Executive Committee of the CCN were elected by the 60 members of the Council. In turn the 10 members of the

Executive Committee elected Redha Malek and A. Benhadouga president and vice president, respectively, of the Executive Committee.

We also recall that Redha Malek, president of the CCN, in the course of his press conference held on 26 April, made clear that the Executive Committee is organized into "sections," emphasizing that these are not "committees." He said that the CCN has no other structure that could suggest, in one way or another, any intention to replace the APN [National People's Assembly], which was dissolved on 4 January.

At a time when slips and mistakes are common, this concern for clarity and for precision in the choice of words deserves to be reported to our readers.

Membership of Executive Council and Sections of the CCN

CCN Sections	Rapporteurs	Assistant Rapporteurs
Political and public service institutions	Redha Malek, CCN president and ex-minister	Bouchaib Said, university professor
Economic and territorial development	Mostefai Seghir, ex-bank official and CCN vice president	Malek Mohamed, ex-bank official
Social Affairs	Toumi Mohamed, medical professor	Faiza Ben Hadid, member of Family Planning Association
Education and training	Benhadouga Abdelhamid, writer	Greffou Malika, teacher
Culture and communications	Mohamed Saidi, member of Higher Information Council	Zineb Laouedj, writer

Union Threatens Response to Economic Situation

92AF0754C Algiers ALGER REPUBLICAIN in French
26 Apr 92 p 3

[Text] The National Secretariat of the UGTA [General Union of Algerian Workers] has made public a statement in which it seeks "to reply to the workers' questions" concerning major social and economic questions. The UGTA explains its silence up to now by "the exceptional character of the situation through which the country is passing." Repeating its commitment "to serve the country to preserve its unity, its stability, its dignity, its independence, and its development," the UGTA states that it will base its stance on the major choices made by the country concerning "the overall recovery and restructuring of the public sector." It emphasizes the "dynamic and unavoidable" role of the public sector in economic recovery, "in opening up the economy to foreign investments in a dignified way," "by encouraging the productive Algerian private sector, the laws and rules of the market economy, and the commitments made by the state to international financial institutions," without suggesting that this commits or involves it.

The central trade union organization indicated that "it could not accept" a deterioration in the situation affecting the workers caused by the total freeing of prices, "whatever the arguments or constraints presented in this connection." The UGTA considers that this freeing of prices is "untimely and dangerous," warning against "the serious and unforeseeable consequences that could result from this action affecting social peace and the stability of the country."

Elsewhere in the statement the UGTA notes that the social measures accompanying the freeing of prices are very far from the agreements reached with the government. At the same time it warns against the "privatization program in the public sector, in view of all of the hidden intentions, the denials, and the deals made which place further burdens on the backs of the workers, which are filled with consequences for jobs, for the country, and for its sovereignty." The statement continued: "The tendency to privatize the schools, the system of public health, or the communications system will only worsen inequalities and social injustices and will be opposed by the workers." Elsewhere in the statement the UGTA recalls, "without any dogmatic or ideological implication," that by their work and their sacrifices the workers are the owners of the wealth and the economic achievements of the country and that, "the question of privatization has never been on the agenda of negotiations between the UGTA and the government."

Furthermore, the UGTA considers that "these realities contradict the commitment by President Boudiaf to involve the workers, through the trade unions, in all of the major decisions that affect the future of the country." Instead of that, the statement notes that "serious and unjustified attacks and accusations have been made and that attempts to destabilize the situation" have occurred. The UGTA states that no maneuver can end in "binding it or manipulating it or damaging its unity and its independence." At the same time the UGTA warns that, "It is ready and determined to mobilize all of its forces and all of the resources provided by the law to express its firm opposition to a policy which makes workers, cadres,

and the needy pay the price of irresponsibility in the conduct of the affairs of the country, of generalized failure, and of muddle and disorder."

In conclusion the UGTA speaks in favor of the changes expected in all areas. However, it adds that it will oppose the pursuit of the policies of the 1980's, which created the Algeria of billionaires and criminals and also the Algeria of misery and unemployment.

Oran Residents Arrested for 'Subversive' Tracts

92AF0754D Algiers *LE SOIR D'ALGERIE* in French
29 Apr 92 p 2

[Article by El-Habib Kahloul Habib: "Oran: Distribution of Subversive Tracts"; first paragraph is *LE SOIR D'ALGERIE* introduction]

[Text] At a time when public opinion is asking about the future of the FIS [Islamic Salvation Front], particularly about its dissolution or suspension, which, moreover, will be announced on 29 April, activists of this party continue to worsen the situation.

Oran (*LE SOIR*)—Oran is one city in Algeria that has been treated by the FIS in a paradoxical way, because in fact the presence of Islamists there has always been very indiscreet. However, like other regions, Oran is also the scene of activity by FIS militants, which goes to the limits of clandestinity.

For example, personnel of the security services of the wilayat of Oran have arrested four individuals caught in the act of distributing subversive tracts and copies of *MINBAR EL-DJOU MOUA*, a clandestine publication.

B. Youcef, H. Abdelilah, G. Abdelkader, and M.A. Abdelghani, the persons arrested, have been turned over to the office of the prosecutor.

Moreover, the security services were able to find on the person of M.A. Abdelghani several brochures and bulletins of a political nature pertaining to the Islamic Salvation Front.

It is also believed that certain students belonging to the UGEL [General Union of Lycee Students] and close to the Islamist movement, are going to undertake a strike within the USTO [expansion not given].

Since meetings have been held and posters put up recently within the university premises, these students will probably try to prevent classes from being held. It is curious that this should be done just before examinations are held.

We will return to this last named matter, and in greater detail, in an early edition.

ISRAEL

Names, Offices of Possible Rabin Cabinet List

92AE0306A Tel Aviv *YEDI'OT AHARONOT* (Weekend Supplement) in Hebrew 3 Apr 92 pp 4-5

[Article by Orli Azolai-Katz]

[Text] "We are not stitching suits—only work clothes," said Yitzhaq Rabin, meaning that he is not interested in a chase after government posts before the victory in the elections. In the collective memory of the Labor Party, that event in "Bet Berl," when Shim'on Peres read the list of ministers to shouts of triumph, and discovered the next morning that he had no government, still swirls like a nightmare.

Rabin has sworn that a thing like that will not happen to him. He is not promising anything to anybody, and when people come on pilgrimages to him with requests, he nods his head and says: "I hear you. We shall see."

But the lust for power of the politicians, and the feeling that "in a little while we will be back in power," have turned the business of putting together the future government into the most exciting topic since the primaries. Everyone who thinks that a government without him would be a national disaster, sits with pen and paper and tries to put together the puzzle. Then he builds himself a strategy that will lead him there.

The work in the tailor shop has begun. Whoever is not measuring a suit is trying to at least prepare a blazer.

The composition of the Labor Party's Knesset list decided overnight what the election strategy of the Likud would be. At Yarkon 110, they understood very quickly that the doves at the top would attract plenty of fire. Even if there is a balance in the list between doves and hawks, it would be hard to ignore the prominence of the doves: Shim'on Peres, Avraham Burg, Ora Namir, Hayim Ramon, and Nisim Zvili.

Taking all this into consideration, the Labor leadership is trying now to put the emphasis on the shades in the center of the stream, and on the defense-oriented side of the list. This is true in the work of manning the election headquarters, as well as in choosing the reservoir of delegates that Rabin will draw on to form a government.

Rabin's candidate for the post of chief of the information staff was Ya'akov Tzur. Tzur's removal from the Knesset list made him a candidate of the past. After discussions over the last few days and nights, it was decided that the defense-oriented Binyamin Ben-Eli'ezer, (Fu'ad), should be given the post.

At a certain stage, the chief of the election staff, Mikha Harish, tried to present Hayim Ramon as a candidate, but the idea was rejected because of Ramon's dovish views. On the other hand, they will not pass up his fighting talents, and he will be offered the position of head of the response team that will conduct the battle

against the Likud. Chief of the organizing staff will apparently be Avraham (Beyg) Shohat, a man Rabin trusts. To protect the sacred balance between the camps, positions will be given to two of Peres's men: Shalom Preyda, who will head the staff for development towns, and Nisim Zvili, for whom a definite role has still not been defined.

Central roles on the election staff will also be given to Ori Orr and Avigdor Kahalani.

In Labor, they intend to conduct the election strategy on two planes: to emphasize Rabin as a leader who is acceptable to Likud voters as well, and on the other hand, to present the list of candidates for the Knesset as an interesting cocktail, combining within it generals, members of the Oriental communities, young people, and authentic representatives from the field. The doves will be asked to lower their voices until after the war.

"I will present a honeycomb of leaders. I will not pass out cabinet portfolios," Rabin said this week—but within the party, they are already having street battles to get into that honeycomb.

If Yitzhaq Rabin succeeds in securing victory in the elections and is able to form a government without the Likud, a major post will be reserved for Shim'on Peres. The major cabinet portfolios are Defense, Treasury, and Foreign Affairs. Rabin will not be in a hurry to put the Defense portfolio in Peres's hands. Between 1974 and 1977, when Rabin was prime minister and Peres was defense minister, the relations between them were characterized by endless undermining. That chapter was described later in depth in Yitzhaq Rabin's book, *Pinkas Sherut (Record of Service)* (published in English as *Rabin's Memoirs*).

Even if rationally there is no obstacle, after so many years, to returning to that formula, surely emotionally it would be difficult for Rabin. Rabin would prefer to serve as both prime minister and defense minister, as Ben Gurion did in his time. He would also not be overjoyed at handing the foreign ministry portfolio over to Peres. He still remembers how Peres, as Shamir's foreign minister, followed a totally independent policy.

In Rabin's circles, they are saying that it would be best for Peres to go to the finance ministry—there it would be difficult for him to take off in popularity. But here they will run into opposition from Peres. With the economy in recession and thousands of people unemployed, he is not interested in getting entangled in the almost impossible mission of restoring the economy.

Unless there is a unity government, we can assume that Peres will be Rabin's foreign minister. It would be easier for Rabin to keep Peres under control if Peres had not won first place in the primaries this week. Peres is also depending on the great power of his faction: his people won good positions on the list, and his power was strengthened.

Who will receive the finance portfolio? In Rabin's circles, an innovative idea is going around: to give the position to someone from outside. The favored candidate is 'Amiram Sivan, chairman of the board of directors of Bank Hapo'alim, considered one of the people closest to Rabin. In a case like this, there will be a problem with Beyg Shohat, who has his eyes on the post both because of his success in the Knesset finance committee, and because of the memory of his forefathers: that is, his wife's father, Levi Eshkol, Z'l (may he rest in peace). Beyg figures that the position should return to the family.

But Beyg has no reason to worry. If he is not in the finance ministry, he will receive another economic portfolio: commerce and industry, construction and housing, or transportation. Yisra'el Qeysar, too, would like a door opening before him in the finance ministry. Rabin definitely sees him as part of the leadership, but Qeysar has lost points: if he had not competed in the primaries for the leadership of the party, and had joined in a pact with Rabin that would have assured him the finance portfolio in return for dropping out of the race—he could have been sitting today with the promise in his pocket.

This did not happen, and Rabin's commitment to Qeysar may end in his receiving the Labor and Welfare portfolio, let us say, along with some other official post, like chairman of the ministerial committee for immigration and absorption, or something similar.

If Rabin does not take the defense portfolio himself, the natural candidate for the post is Moteh Gur. He and Rabin usually broadcast on the same wavelength on this subject. It is also possible that Rabin will take the portfolio himself, and appoint Gur his lieutenant, with broad responsibilities. Binyamin (Fu'ad) Ben-Eli'ezer also has his eyes on this position, but the probability that Rabin will give him such a major and sensitive portfolio is just about zero. Fu'ad will probably accept a compromise and take the police portfolio. Ori Orr has also been mentioned as a possible candidate for defense minister, but he is too new in politics, and also has on his back a certain rivalry with Rabin from the period when they were both in uniform.

If Peres receives the foreign ministry portfolio, he will try to arrange to include another minister close to his own views in the government. Even when he was prime minister, he allowed Rabin to appoint Ya'aqov Tzur as a minister. In a case like this, two candidates are possible: Moshe Shahal and Nisim Zvili. Shahal is apparently first preference, for Rabin gets along with him better than he does with Zvili.

When it comes time for him to create a government, Rabin will also not be able to ignore the new forces that have consolidated their positions on the Knesset list. Avraham Burg's impressive performance will probably translate into a deputy minister's post, perhaps in the education ministry.

It is hard to imagine Rabin being able to ignore Hayim Ramon if and when he puts together a government. The possibility that he will receive the health portfolio is already being mentioned. Ramon, on his side, has said that it does not matter to him which portfolio he gets, just as long as he gets one. Yitzhaq Rabin will want to see David Liba'i, who has become so popular and accumulated so much experience in his parliamentary work, in his government, too. Liba'i is the natural candidate for minister of justice, except that the justice portfolio is usually reserved for the coalition partner—in this case, "Meretz." It may be assumed that Shulamit Aloni and Amnon Rubinstein will fight exhausting battles over the post, and it is not certain that Liba'i would want to accept another post. It has been suggested that he will be appointed minister for special affairs.

Without a kibbutznik in his government, it will be hard for Rabin to receive the blessing of the United Kibbutz Movement. In order to function as a minister, one does not need to be a Knesset member, and here Rabin can repair the injustice that was done to Ya'akov Tzur: possibly he will be invited to serve in the government after being pushed off the knesset list. Tzur would prefer the education portfolio, but the real probability is that this portfolio will be saved for Zvulun Hammer, and Tzur will find himself in the agriculture ministry, for example.

In the party corridors, several members spoke this week of the need to return 'Ezer Weizman by the same formula: to offer him a cabinet post. It is hard to imagine that Rabin would carry out the idea, or that Weizman will want it. It is reasonable to assume that if "Labor" returns to power there will be an effort to have Weizman chosen as President of the State after Herzog finishes his term.

'Uzi Bar'am, too, who gave up a portfolio in the unity government over a principle, will be a minister if Rabin sets up a government. It is not certain that he will want to serve as a minister if Rabin decides on a unity government. The portfolio ready for him: Transportation, or Absorption. It depends on the coalition partners.

At several opportunities, Rabin has promised that women will be represented in his government. And here the trap is hidden. Ora Namir, who made an impressive showing in the primaries this week, was one of the supporting pillars of Rabin's camp in the past. She left there with a slam of the door after realizing that Rabin had lied to her, and had not done anything to put her into the government. Since then, they do not exchange a word. Rabin is angry at Namir because she competed in the primaries for prime minister, and by doing so, endangered his 40 percent.

But Namir has a power group in the party, and many supporters. It may be assumed that tremendous pressure will be put on Rabin to appoint her. She would prefer the labor and welfare portfolio, or the health portfolio. That will create a problem for Rabin. If not Namir, the only

possibility is to appoint Masha Lubelski. Between Namir and Lubelski, there has been a life-time animosity, the feuds between them often making headlines in the past. There will be an issue-oriented and emotional battle for the women's slot in the government.

If there is victory, Mikha Harish will also find his place in the government. It seems probable that he will receive the energy portfolio.

The forecast presented above will be correct in the event that "Labor" composes a government that it will lead. In the event of a unity government, the list would be smaller, of course.

Next week, Rabin will present his honeycomb. He has asked of course not to begin cutting out the suits, but with power suddenly seeming so close—who can control the lust of the politicians?

Europe Reportedly Next Target of Likud Insults

92AE0307C Tel Aviv HA'ARETZ in Hebrew 26 Mar 92 p B1

[A. Eldar: "Now, To Insult Europe"]

[Text] Now that its efforts to damage the special relationship with the United States have gone well, the government is turning toward undermining the fragile relationship with the European Community. Here, the work is much easier: Europe is a veteran and renowned "sabre" in the role of troublemaker to Israel. When have the headlines "Crisis in the Israel-European Community Relations" ever appeared in the newspapers? Crises occur between friends. Tension between Israel and France surrounding the contacts of the Elysee with the PLO, or Germany's denial of pledges to aid absorption are virtually the tale of the dog that bit the man. While Europe lies geographically on Israel's front porch, politically, it is situated in the depths of its back porch.

Last summer, Secretary of State James Baker fought for the admission of Europe to the Madrid conference. Foreign Minister David Levi practically forced the government to invite them to the opening ceremony. As its leader, Yitzhaq Shamir first announced that it would never take place, insulted the group of 12, and, in the end, ate his hat as well as the rotten fish. Almost the entire world was invited to the multifaceted conference in Moscow, and room was also found for the European commonwealth. Israel has no objection to Europe's dispatching representatives to the subcommittee on water matters and the seminar on pollution in the Gulf of Aqaba. Jerusalem even agreed to reserve a seat for the representative of 350 million Europeans on the committee for economic cooperation in the Middle East, which was designed to encourage the peace process with the help of capital investments in the region at a value of billions of dollars.

But entry to the subcommittee that was designed to propose the mechanism for weapons control and defense

arrangements was permitted only for friends, that is, the Americans and Russians—those who, according to the government's claim, turned the immigrants into hostages in order to return Israel to the 1967 borders, and those from whose land the immigrants fled for fear of pogroms. The Ministry of Defense is opposed to the participation of the European Community, claiming that it is not conceivable that European countries should participate in discussions of curbing the arms race in the Middle East and, at the same time, supply weapons to the Arabs. And now MK [Knesset member] Beni Begin openly blamed the United States for supplying weapons to Egypt and Saudi Arabia, and even claimed that it is their obligation to supply Israel with guarantees so that it will be capable of maintaining an arms balance against the American weapons that are in the hands of the Arabs.

Russia, which sells its fighter aircraft and exports its nuclear scientists for the best price, has also earned the position of sponsor on the subcommittee for weapons control. The European opponents fear that the Arabs will prefer to talk with the friends from Paris and Rome, and that the latter will unite with them to pressure Israel in the matter of its refusal to participate in a treaty for the suppression of nuclear weapons. But the position of the sponsors, the United States and Russia, in this matter is almost identical to that of the EC.

The European delegation of three, which will arrive in Jerusalem the day after tomorrow, will continue in its efforts to drive the message through that Europe can offer the region its wealth of experience in establishing a system of regional defense and in monitoring the distribution of weapons. The Europeans claim that they open the window in the morning, see across from them the countries of the Maghreb; accordingly, their geopolitical interest in defense arrangements in the Mediterranean basin is not inferior to that of the United States or Russia.

The delegation of three [troika] will practically burst through an open door in the Foreign Ministry. Practically—because David Levi also has complaints against them, after they promised him in a meeting that was held in Paris in June of last year, that in compensation for the inclusion of the EC in the peace process, a way would be found to integrate Israel into the common market configuration. When Israel presented the check for payment, the Europeans shrugged their shoulders and said that the council of ministers, and not the group of three [troika], is the element authorized to certify a change in the relations of the EC and Israel. Even more, they have not responded to Israel's request to accelerate the negotiations for the signing of the free trade agreement technical protocols, which was begun during Yig'al Alon's term as Foreign Minister.

The year 1992 is already here, and still agreements have not been reached regarding the standardization of Israeli exports for the commonwealth and the "source regulations," which were designed to guarantee that the products Israel exports to Europe do not include components

that were not produced in Israel. In the Foreign Ministry they think that the Europeans also took advantage of Levi's agreement to appoint a "humanitarian" representative in the territories, and that they want to impart the representation with a diplomatic character. It can be wagered that at the last minute a formula will be found for inviting Europe to the defense forum and, in compensation Israel will receive another guarantee to accelerate the economic negotiations. But senior officials in the commonwealth emphasize at every opportunity that a practical discussion of a change in relations between Europe and Israel "will not begin before the start of negotiations for peace, and will not conclude before an arrangement is reached."

From a discussion that I held this week with a forum of press attaches of EC embassies in Israel, it has become clear that, in their opinion, we are still in the "peace process" phase, and have not reached the core of the negotiations. The Europeans easily join the American view in the matter of the settlements. And they, understandably, have no intention of exchanging the lost \$10 billion for German Marks or French Francs—not through guarantees and not by reducing the gap in the trade balance between Israel and this powerful market. (The annual export to Europe is approximately \$3 billion per year. Imports—double that.)

In Europe, especially in Germany, there are still investors with tormented consciences regarding Israel, but they are being lost to the Palestinians. In an article published this month in *DIE ZEIT*, written by Horst Teltchik, former advisor to the national security chancellor, it was written: "There is only one European answer that will convince Israel and that will constitute a clear defense guarantee: its acceptance into the Atlantic alliance, and this after all sides reach an understanding on the subjects of peace. A basic condition for this would be a change in the settlement policy, Israeli retreat from the territories, and a realization of the rights of the Palestinians."

Islamic Challenge to Palestinian Nationalist Camp

92AE0271C Tel Aviv HA'ARETZ in Hebrew 10 Feb 92
p B1

[Article by Dani Rubenstein: "The People Prefer a Keffiya"]

[Text] One can well sense the rises and falls in the support for the Muslim extremists in east Jerusalem and in the territories. It is now at an ebb.

The violent oppression successfully exercised by the Algerian military government against the Islamic front, which won an incredible victory in democratic elections, has rendered the Muslim despondent in east Jerusalem and in the territories, as well.

Last week, the Muslims celebrated the Adha holiday and the Mi'rag, the holiday marking the ascent of the prophet

Muhammad to the heavens, and the events in Algeria spoiled the holiday atmosphere. This Muslim holiday is of great importance to the Palestinians, because Muslim tradition chose the Temple Mount as the place from which the prophet rose to the heavens. Since the turn of the century, this belief has been exploited by the Palestinian leadership, in order to emphasize the importance of Jerusalem to Islam.

The events in Algeria receive extended coverage in the Palestinian press, and it is evident that Muslim activists are disappointed by the hopes that they had for democratic processes in the Arab world. Here, it does not do them any good that Muslim groups win impressive victories in free elections. The current rulers always come and prevent them from realizing their electoral victory.

Last week, in the Jerusalem newspaper AL-QUDS, a caricature was published, showing a teacher in an Arab classroom teaching children the principles of democracy. Americans, British, and French were peeking in the window, exploding with laughter.

Indeed, the ruling classes in the Arab world are the ones blocking the rise of the Muslims. They are more afraid of the Muslim extremists than of anyone else. I was told of a meeting of Hamas activists in Gaza that took place a few days ago, in which one of the preachers said that the Jews have nothing to fear, since the Arab rulers are doing the job for them in any event. According to the east Jerusalem newspapers, even in Saudi Arabia 20 Muslim clerics were arrested in recent weeks for denouncing Saudi Arabia's participation in the multilateral peace conference in Moscow.

This is also the case in Jordan, where the king has managed, over the past year, to shove the Muslim representatives who were so successful in the parliamentary elections into the corner. Nonetheless, their influence in the kingdom is evident. In television broadcasts, for example, the text of the weather forecast was changed some time ago, as per the demand of the Muslims, and the Jordanian weather forecasters must always add the words "in accordance with God's will."

According to one of the stories that reached east Jerusalem from Jordan, the director of the Jordanian weather forecasters, 'Ali 'Abanda, initially refused to employ this text, and there were many who ridiculed him for his scholarly forecasts that did not prove true. It was said that one day, the crown prince, Prince Hassan, visited the members of a small Bedouin tribe on the way to 'Aqaba, which was not connected to the power network. He asked them how they know the weather forecast when they do not have a television. The Bedouins told him that they have a unique donkey. When both of his ears are erect, they know that the next day will be sunny. When one of the donkey's ears is down and the other is erect—it will be partly cloudy. When both of his ears are down—there will be rain and floods. Outstanding, the

prince expressed his admiration. He offered: give us the donkey and take 'Ali 'Abanda.

In the West Bank, as well, and particularly in Gaza, the orthodox Muslims are confident of their power and disdain the nationalist circles and leftists. On holidays, the leaders of the Hamas stand in the middle of the mosques and receive the blessings of the worshipers as if they were heads of state. They were unsuccessful in the last elections for the doctors' union in Gaza, but they well know that they are weak among those possessing higher scientific education. In the elections for the engineers' organization, on the other hand (which also includes associate engineers and draftsmen), they received almost half of the votes, after the nationalist candidates associated with the PLO in Gaza recruited mechanisms and invested a great deal of money in the election campaign.

Three weeks ago, the Muslims won an impressive victory in the student organization of the Polytechnic Institute in Hebron. They waged a battle against the head of the Palestinian delegation to the negotiations, Dr. Haydar 'Abd-al-Shafi, attacking him for being frequently photographed in Washington with a western style hat on his head. Ostensibly, a stupid matter, but the Muslims have a long account with him as an outstanding leader of the Palestinian left, and the people prefer to see their representatives in a traditional kafiya and not in an imitation of American dress. They also ridiculed Yasir 'Arafat for his mysterious marriage to the young Christian woman. They said that 'Arafat had divorced himself from the Palestinian problem for her, after he had always claimed that he had not married because he was wed to the national problem of his people.

If the negotiations ever reach free elections in the territories, with Israeli policy putting the PLO out of the picture, it will become apparent to many that the Muslims are actually the only group which is seriously threatening the Palestinian national establishment.

Call To Bring 'Arafat to Justice

92AE0322A Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 10 Apr 92 p 18

[Article by Ge'ula Cohen: "Death Sentence for 'Arafat"]

[Text] 'Arafat may be alive, but he is doomed to die.

The second thought that came to me when I heard the news that 'Arafat may have been killed in an airplane accident, was: No, he does not deserve to die like this, accidentally, in some airplane accident caused by meteorological, weather problems....

'Arafat must die by the law. His death must not just occur, it must be feared.

Like justice.

No just instance is pronouncing the death sentence against this man, whose hands are covered in blood, the blood of innocents not only from among our people, but also from among his.

Justice would have been best served if this murderer had been caught by Israeli envoys, whose state and people he has sentenced to death; justice would have been best served if this criminal had been put on trial for his crimes and for the crimes of the murderous organization he leads, the organization called the PLO, and if he were put on the defendant's stand here, in Jerusalem. Here, in this Jerusalem to which 'Arafat still dreams of returning to prey as a conqueror, here in our Jerusalem, Yasir 'Arafat should be put on trial as Adolf Eichmann was at the time.

And here in Jerusalem, in plain view of the whole world—the same enlightened and hypocritical world, once again silent in the face of the blood spilled by terrorist organizations just as it was silent about the blood spilled during Eichmann's time—the death sentence should be carried out against 'Arafat, and his ashes should be scattered, as Eichmann's ashes were scattered, over the same Mediterranean Sea in which 'Arafat and his friends plotted to drown us.

As I said, however, that was only my second thought. The first thought that came to me as I heard the report that 'Arafat may be dead, was that it was too late—too much blood has by now been spilled because of this mass killer, and too many mass killers among his friends are still alive and well.

I have no intention of arguing with those among our left wing, such as the CMR [Citizens' List] MK's [Knesset members] who hastened to protest against Rabin's visit to Baba Sali—which I, too, condemned—but who at the same time forgot that they themselves were ready to talk to Baba 'Arafat; however, to those among us who believe, like I do, that from the viewpoint of natural, moral, political, and security justice 'Arafat should die, but who doubt that that may help, because if 'Arafat were killed he would be replaced by another mass murderer, to those I will today give not one, but two answers:

One is that, although it is true that the seed of destruction is hidden in the desire of the Arabs to remove us from here, and that this seed has sprouted leaders of murderous gangs before 'Arafat and will sprout more of them after him, it is equally true that it takes time before a leader comes to the fore, and in our war against the PLO any fraction of time we may gain may prolong the life of each one of us, just as any PLO decision, be it even provisional, dealing with a change of leadership and a war of succession, may weaken the PLO's ability to carry out its evil designs against us both in the field and through the process we know as the peace process.

The other answer is that, even if a replacement were immediately found, and even if there were no war of succession, not every replacement will turn out to be a substitute; without entering into a discussion on Hitler's

place in history—does any one still doubt that if, on the eve of World War II, the Jewish leadership of the time, on the left and on the right, had been wise enough, responsible enough, and efficient enough to take Hitler's life before he put into motion his death machine, while he was still talking and writing about the need to get rid of the Jews—does anyone among us doubt that the entire Jewish history in this generation would have been different? That the destruction of the European Jewry would not have occurred as it did?

'Arafat was saved. What is more, he was one of the few who were saved.

I am not a party to the mysteries of the world nor do I, of course, keep the books for the Almighty, but I feel responsible enough for the accounts we have here on earth with the PLO master killers, in order to ask the leaders of our Israeli government:

Why is it that the arms of our security forces, which used to reach very far, sometimes covertly and sometimes overtly, all the way to the heads of the PLO killers wherever they may have been, have recently grown shorter?

Or perhaps it is not the arms that have shrunk, but the intelligence of those who set them in motion?

Finance Minister on Elections, Bank of Israel

92AE0322B Tel Aviv HA'ARETZ in Hebrew 3 Apr 92
p B1

[Interview with Finance Minister Yitzhaq Moda'i, by Tzvi Zarhia; place and date not given: "Is the Bank of Israel a Poet, or a Scribe?"]

[Text] No signs of tiredness can be seen on the face of Finance Minister Yitzhaq Moda'i despite the hasty race to form a new party. Neither is he too troubled by calls from various Likud circles to remove him from the Finance Ministry before the elections—or so he claims.

Moda'i, dressed in a blue summer shirt without a tie, is in good spirits and is rejecting all the claims against him. He does not understand why anyone should be talking of an electoral economy or of an economy in recession. "In one day I can read sets of data from three-four sources about the same issue, each one of them different. This is impossible," he complains.

[Zarhia] Do you acknowledge the sharp criticism that the Bank of Israel expressed this week about your economic policy?

[Moda'i] What the Bank of Israel must understand is that the governor of the Bank of Israel serves as economic adviser to the government. The Bank of Israel is a partner to the government, not its supreme overseer. I could have shown them that currently the interest rate is twice as high as the real interest rate that prevailed only one year ago. The real interest rate today is high, and that has an impact on the economy.

[Zarhia] But do you not have an influence, as finance minister?

[Moda'i] To my great regret, and I am not looking for trouble, the monetary area is in the hands of the Bank of Israel. Who knows how long the killing interest rate, which is still a killer, would have continued if we had not brought pressure to bear on the Bank of Israel to lower it. It took them one month to stir; the interest rate was lowered in stages, although the Bank of Israel is fully authorized to take action in this matter and to operate sanctions against the banks.

A state bank must honor what it writes. It cannot just scribble, it must also explain. If it had not been for those interest rates, I think that we still would have been in a process of rapid growth of importing means of production.

[Zarhia] To what are you referring?

[Moda'i] I am talking as an industrialist, as someone who brought in production inputs. When the money became expensive, the first thing I cut were stockpiles, which I found easy to cut because it came in a continuous manner. I can bring in provisions once a year or once in two years. The Bank of Israel admitted that the interest rates put a burden on business. What is a burden? It is a word. What is the Bank of Israel, a poet? A scribe? A literary critic? It is a partner in this matter, and in this particular case it was the decisive factor.

Besides, if there is a standstill, it appears as a slowdown in the growth of economic activities. This ten counted more than all the countries of the world [as published]. There there is a real drop in economic activities.

[Zarhia] Do you think that the low interest rate policy of the Bank of Israel can encourage the business sector and promote growth?

[Moda'i] The interest rate does not encourage anything. The overall profitability of the business sector must be examined. In the past year, the real pay fell 5 percent. All told, the change in the interest rate was recently 1.4 percent and the production inputs did not go up. The work wage fell in spite of the Bank of Israel's claim that the interest rate dropped, which I claim has gone up in real terms. The Bank of Israel must ask itself what is happening in this respect. If someone thinks I will have a devaluation so as to make it possible to charge higher interest, he is mistaken. Even if that someone is the Bank of Israel.

[Zarhia] Perhaps the governor has not adjusted to the reality of the Israeli economy and should be replaced?

[Moda'i] Professor Ya'akov Frenkel is the governor I recommended and the government appointed. I have no complaints about the governor's knowledge. I am referring to a report which I hope the governor has read. It is possible that the Bank of Israel issued the report without the governor's supervision.

I am referring to the heart of the matter and I see gaps in the logic of this report. The data are not correct and some are contradictory. The constancy and the offers do not match the basic data. I am not saying that the entire report is like that, but most of the recommendations do not match the texts of the report itself.

[Zarhia] In the past few months the government has not been functioning in the economic area.

[Moda'i] It was more active in the economy than in politics. I can list economic reforms that were carried out and were more important than any other reform in any other area of our state life. When I read the report on the reforms we instituted, I cannot believe it really happened. Even in the very last few months we carried out actions such as the reforms in the capital market, reducing inflation, altering the mean line in the rate of exchange, and so forth.

[Zarhia] But the government will not take any economic steps before the elections.

[Moda'i] I do not think that we need to carry out an economic process. Economic processes are not done in a few weeks or months. We must weather this difficult period, and the ground we stand on is not at all bad. By the way, time has its own value. By the end of 1992 only 60,000 new immigrants will join the work force. That is not good at all, but we will reduce the number of unemployed by creating more jobs than the new work force that will join the market.

[Zarhia] In other words, the economy will be used to stop the immigration?

[Moda'i] We are not stopping the immigration, the immigration is winding down. In everything bad there is something good. I hope that the immigration will resume, but not that its effect should be unemployment.

In the past year we created 153,700 jobs, most of them in the business sector, but I read in the media that the government is the employer. I do not have the power to understand this. Somebody here must be a masochist: why pick on ourselves if it is not true?

[Zarhia] I get the impression that you had more achievements in your previous term in government.

[Moda'i] I do not think so. More than half of that term (1984-86) was concentrated on lowering the inflation. We did so not only because of the importance of the issue, but also because it was impossible to do anything else until the inflation went down. That was an impressive and special achievement in the world, and that is why it is so well remembered. During the current term we had more achievements from the viewpoint of professional results, but the previous term made a worldwide impression.

[Zarhia] Perhaps because at that time you had another prime minister by your side, Shim'on Peres?

[Moda'i] The merit of that prime minister (Shim'on Peres) was that he helped. However, let him show me one achievement he attained in the area of structural economics during his term as finance minister. Let him show me not a pamphlet, but one single column of achievements.

[Zarhia] Does the present prime minister, Yitzhak Shamir, help?

[Moda'i] Yes, definitely. I belong to a small party, and without the help of the prime minister I could not get any decisions passed in government. In the Knesset it is another matter. Currently the welfare coalitions and the coalitions of local authorities are more powerful than the government coalitions. There are a few other pressure groups, like the agriculture, that are breaking every government coalition.

[Zarhia] Your faction colleague Pesah Grupper belongs to the farming lobby.

[Moda'i] Why should he be forbidden to do what others are allowed? The atmosphere in the Knesset is one of utter disarray. In the short platform of my new party the economy and welfare take first place and administration methods, second. One of the paragraphs of our platform states that proposed bills must be presented in Knesset as a preliminary draft, like government draft bills, and that there should be a 30-day waiting period between the vote on the second reading, when paragraphs are added to laws, and the third reading. In addition, decisions must be taken with a certain quorum, for example 40 or 60 MK's.

Currently, vital bills, which can cost hundreds of millions of shekels, are passed with the vote of only 10 MK's. Only groups with vested interests show up for the vote, and that is how bills are passed.

[Zarhia] Was it because of such legislation that the budget reserve ran out?

[Moda'i] If you add all the populist bills, catastrophies, and natural disasters to the state outlays, then on paper we do not have anything in reserve until the end of the year. On the other hand, some expenditures will probably not be made, for example in the area of immigration absorption. But that is still not a reserve. Some people think that the immigration wave may explode once again. What can I do? I can only dismiss the Knesset because most of the exceptional situations resulted from some new legislation. There were few deviations from the regular budget.

[Zarhia] In retrospect, do you not think that it would have been preferable if Israel had filed the request for guarantees from the United States?

[Moda'i] The whole thing with the guarantees began with the visit to Israel of deputy Secretary of State Laurence Eagleburger during the Gulf war. He wanted to hear our thoughts about immigration absorption and he told me: Submit the request for guarantees for discussion in

Congress. I told him that since he asked, I would accept his request. No one mentioned the topic until September 1991. Then President Bush came and asked for a delay of 120 days. It was only then that it became clear the president was against it. Had I known then what I now know, we certainly would not have made the request.

[Zarhia] Are you apprehensive about demands in the Likud to have you removed before the elections?

[Moda'i] Not in the least. I am not afraid of bigger things than that. The prime minister is giving me signals which are the opposite of what people say, even people who do not dare make such accusations in their own name. Currently there are fewer ministers from the original cabinet around the government table. How much further can they cut it?

[Zarhia] Are you angry with the Likud for not implementing the armored [safeguard] agreement with you?

[Moda'i] No. I am neither the first nor the only one with whom political agreements are not kept and the Likud did not invent the system, although it may have considerably improved on it. In fact, even though I talk about it without heat, it is not something healthy for the democracy.

[Zarhia] If a situation will come about in which you could again become finance minister after the elections, would you want that?

[Moda'i] I studied the modus operandi of most of the finance ministers who preceded me. None of them had a happy life, but some of them did things. As far as the happiness goes, I am with the majority, and as for doing things, I belong to the minority that accomplished something. There is a lot to do and to improve; we are now merely at the beginning of the process. If I will be asked, I will accept the position. I am not modest about such things.

[Zarhia] Do you have time for the Finance Ministry in between all the electoral travels?

[Moda'i] Of course. I work about 20 hours a day. It comes at the expense of theater and music, which I have already forgotten. I like to read poetry, contrary to the impression I make. I cannot remember what an Alterman book looks like. I like to read a page of Talmud, but even that I do not do any more. On the Sabbath, too, I unfortunately read material that I have to read.

[Zarhia] What will be the first thing you will want to do should you become finance minister after the elections?

[Moda'i] Rest, until the time of coalition negotiations. I will pick up precisely at the same point at which I now leave off: real reform in the labor market; continue the reform of the individual income tax system; reforms in the capital market; cuts in employers' tax; foreign currency reforms, and so forth. There is a lot to do.

Municipal Elections for Palestinians; Relations With EEC

92AE0322C Tel Aviv HA'ARETZ in Hebrew 1 Apr 92
p 5

[Report by Aqiva Eldar: "Israel Will Suggest Municipal, Sector Elections to Palestinians"]

[Text] On the eve of resuming peace talks in Washington at the end of the month, a proposal is taking shape in Jerusalem for a system of elections in the territories which will permit the formation of a self-administration council as soon as an accord has been signed for a provisional agreement. The council members will appoint the administration bodies that will replace the Israeli staff officers.

Sources in the Israeli delegation to the peace talks said that for the time being there was not a question of general elections, because the violent atmosphere prevailing among the Palestinians was not, in their view, propitious to a democratic process. Consequently, a proposal has been taking shape among the members of the delegation to the talks with the Palestinian team for municipal elections in combination with sector elections (teachers, physicians, lawyers, etc.). In their view, it will be easier to monitor this kind of local election in such a way as to make it difficult for the extremists among the population to use violence in order to thwart the electoral process or to influence its outcome.

Defense Minister Moshe Arens has been supporting the idea of municipal elections as a substitute for general elections ever since the unity government's initiative about elections in the territories. The government may be requested to endorse the proposal at one of its coming sessions. At the last meeting in Washington the Palestinian delegation pointed out the absence of any mention of elections from the document conveyed to it by the head of the Israeli delegation, Elyaqim Rubinstein. The Palestinians recalled that under the Camp David agreement Israel was obligated to hold democratic elections in the territories for the purpose of forming an autonomy council.

As the stage of multilateral discussions is about to begin, it is becoming evident that Israel's relations with the European community are in a most serious crisis. A senior government source yesterday revealed that the European troika delegation announced at its discussions in Jerusalem that if Israel persisted in its refusal to invite a community delegate to the arms control conference, it may harm the economic negotiations between Israel and the community prior to the European unification.

A senior political source said that the troika representatives explained that Israel cannot expect gestures from the community while attempting to deprive it of having a say in the discussions on a topic to which it attaches great importance. It was learned that Prime Minister Yitzhaq Shamir at the last moment rejected a compromise proposal made by Foreign Minister David Levi,

according to which community representatives were to be invited to participate in the seminars scheduled to introduce the practical talks on regional arms control and security, without any obligation, for the time being, to participate in the next stage. In view of the sharp reaction of the troika delegation, Shamir may go to meet with the community's Council of Ministers next month, a meeting that had been planned for Foreign Minister David Levi, in a bid to pacify them. The community authorities are angry about the tension created in Jerusalem around the activities of its representative to the territories, Thomas [Duplait].

Uri Nir added from Washington (special for HA'ARETZ): The U.S. Administration yesterday published the list of places and dates on which the multilateral working groups will meet within the framework of the peace talks: The working group dealing with arms reduction will meet in Washington on 11-13 May; the working group dealing with economic development will meet in Brussels on 11-13 May; the working group dealing with refugees will meet in Ottawa on 13-15 May; the working group dealing with water issues will meet in Vienna on 12-14 May, and the working group dealing with environmental matters will meet in Tokyo in the week of 18 May.

The invitations to the discussions have not yet been sent. A steering committee, which will coordinate between the various working groups, will meet in Lisbon at the end of May and beginning of June.

Analysis of Syrian Jewish Emigration

TA3004160792 Tel Aviv HADASHOT in Hebrew
30 Apr 92 p 4

[Text] From the official announcements communicated from Syria and the United States, it has become clear that the Jews were given permission to leave the country for business purposes, medical treatment, or visiting relatives, but there is no talk of a permission to emigrate. The prohibition to emigrate is not mentioned, because of the official Syrian claim that they do not differentiate between their Jewish citizens and others. But what is clear to Hafiz al-Asad and, it is worthwhile that it will be clear to us as well, is that the Jews will leave Syria, most never to return and, due to the fear that the selling of possessions will be construed as a sign of the intention to emigrate, they will leave their possessions behind merely so that they will save their skin and the future of their daughters.

And in this way, al-Asad will gain from all sides: he will gain the praise of world public opinion as a man of law and morality, he will win the gratitude of the Jews in Syria and their brethren in the diaspora, and he will gain the opportunity to confiscate the possessions of those who left for medical, business, or family (visit) purposes and will not return.

There will be a minority of Jews who will not want, or will not be able to give up their possessions and will

continue to be "loyal Syrian citizens," visiting their relatives abroad in episodes. But I have no doubt that a majority of the Jews will take advantage of the permission to leave with expediency and this for two reasons:

First, the fear of the day after al-Asad is gone. Al-Asad has held the Jews in his grasp, but he also held back their enemies who were ready to pounce on them. Who knows who and what will come after him. The pogroms of 1 December 1947 are still remembered by the Jews of Aleppo.

The second reason is the decisive one, and its full meaning has not yet been completely understood. Families who saw their daughters stuck in bachelorhood, unable to find a husband with whom they can start a family and with whom they will live a normal life, will prefer to give up everything, leave with their daughters, marry them off, and be near them.

And this al-Asad knows very well. And from his point of view there is historic justice in this: the Jews will return to [as published] the Syria from which, over their temporary stay of three thousand years, they absorbed.

Plans for New, Wider Field Command

92AE0270B Tel Aviv BAMAHAHE in Hebrew
24 Feb 92 pp 18-21

[Article by Anat Balint]

[Text] Recently, the finishing touches were put on the plan for reorganization of the Ground Corps Command (GCC). Work on this topic began shortly after Major General Emanuel Sekel took over the post of Commander of the GCC, and has gone on in close cooperation with the planning section. Some of the decisions have already been put into action. In the framework of the plan, concrete changes have been made in the structure of the chief corps commands (Infantry, Armored, Artillery, and Engineers), as well as in the structure of the GCC staff. The changes were made after examining all the authorities of the GCC, a process which resulted in the decision to extend the range of the Command's activity. We may say that eight years after the GCC's creation, the definition of its role has essentially changed. It is no longer a command that shares in building the land force. It is the command responsible for building the land force.

The debate around the status and character of the GCC has actually been going on since the day it was established in 1984. (The planning group began its work in 1983.) It reentered the headlines from time to time, when former commanders of the GCC, staff officers or corps officers, and bodies within the General Staff pointed out weak spots in the existing structure. With time, a number of plans were formulated, but never reached the stage of presentation before the General Staff. A critique by the comptroller of the defence

structure in 1989, which was published in 1991, recommended changes in the GCC's structure, and redefinition of its mission and authorities. When he took over the post at the end of 1990, Major General Emanuel Sekel initiated intensive work on the subject. Sekel brought with him knowledge he had amassed earlier during an earlier tour as Deputy Commander of the GCC. Major General Sekel determined a number of areas which needed attention within the framework of the reorganization. First, determining the new mission for the GCC, which, according to the Chief of Staff's decision, will be responsible from now on for building up the land forces. A natural result of this will be setting new authorities that will be closer to the authorities of an arm, in spite of the fact that the GCC is clearly not defined as an arm (that is, it is not responsible for readiness or for mobilizing forces in battle). At this stage, it was clear that a change was needed in the organizational structure of the GCC staff, to fit the change in its authorities.

Behind the plan for reorganization of the Ground Corps Command, stands the concept of the modern battlefield. This conception is the reason that less emphasis is being put on the separate corps commands, and that authority for them is being passed over to one joint command. In the words of an officer in the Operations Department of the GCC, Colonel A., the reorganization plan is only the beginning of a longer process, which will continue in coming years, and it is possible, within its framework, that by the end of the decade, there will be a reexamination of the single-corps entities, as opposed to integrated entities. "I think that right now the process is going in the right direction. Even if there are very painful arguments about details at times, one should remember that they are just part of the process, and that what is important is the final direction it will take."

The change in the definition of its mission has added many fields of activity to the GCC, and expanded the fields in which it was already involved. Among others things, the GCC was given authority over bodies and subjects that had been covered by the Training Division (TD), before it closed. Subjects covered by other branches of the General Staff: the GCC will be responsible for combat doctrine, from the level of the individual soldier to the largest fighting formation in the field. This responsibility includes integrating into the combat doctrine the bodies that do not fight but support the fighting forces, like the Ordnance, Maintenance, and Medical Corps. Forward Regional Defence units, which answered to the TD before it was canceled, will become the responsibility of the GCC. The GCC will be responsible for authorizing all exercises under fire, and also for battle readiness of all army units, and for development and acquisition of training aids for the entire land force. In the realm of manpower, the GCC will be given responsibility for enlisted men even during basic training. That is, from now on, the GCC will be responsible for the recruit from the moment he leaves the orientation and classification base and goes to basic

training, rather than the moment he arrives to serve in his company. The GCC will be given an independent budget that will supply the salaries of all members of field units. This change gives the GCC better control and influence. As part of the reorganization plan, it was decided to cancel all logistic bodies in the head corps commands, beginning on 1 January, including those responsible for Maintenance, Ordnance, Signal, Medical, the Rabbinate and, in some of the commands, Intelligence as well. The responsibility for these subjects was moved to appropriate departments in GCC headquarters. Similarly, it was decided that all the corps commands would be relocated to the GCC command. The Artillery Command, and the Infantry and Paratroop Command have already completed the move. The Armor and Engineering Commands will move in the coming months. The moves will shorten many processes in the GCC's work and save resources. Beyond that, the transition fits the GCC's conception that contact between the main corps commands and GCC headquarters must be strengthened.

The changes reduce the authorities of the head corps commands. It should be emphasized that, while the reorganization was being worked out, proposals were considered which would have meant even a greater blow to the corps commands' standing. In the final summary, it was decided that the most important authority would remain in the hands of the corps commanders, that is, command of the training base, an authority which allows them to oversee and influence the readiness and professionalism of the enlisted men and officers of the corps. The corps commands, after the reorganization plan, will be engaged mainly in the special concerns of each corps—the corps combat doctrine, presentation of requests for weapons and their absorption by the corps, corps training and exercises, care of wounded, leadership training for officers, and passing down the fighting traditions of the corps.

The changes that have been made within the GCC staff are the result of the lessening of the authority of the main corps commands, and of the added authority that the GCC has received from other branches of the General Staff. Not all the decisions on this subject have yet been made, but we may imagine that soon it will be possible to see a portion of the changes being carried out. Among the topics that still have not been decided is the division of authority between the GCC and the Quartermaster.

The plan calls for the combat doctrine department to move from a structure that deals with single-corps realms (i.e., an armored branch, an artillery branch, etc.), to a structure that emphasizes a multicorps vision, which will include a combined branch that will deal with cooperation between the arms, a branch that will deal with integration between the corps, a branch that will deal with coordinating the combat-support corps (Anti-aircraft, Ordnance, Maintenance, etc.) and a branch that will coordinate ground exercises. The department will

also be responsible for communication between bodies responsible for corps combat doctrine, field-intelligence, and communications.

The bodies that were discontinued in the corps commands (Ordnance, Signal, Maintenance, and Medical) will be combined into a training administration body, which will be run directly by the deputy commander of the GCC. Similarly, an operations section will be set up that will be responsible for the bodies dealing with organization, standardization, exercises, development of training methods, and day-to-day missions. Over and above this, the Intelligence Division, which has been independent until now, will be subject to the Doctrine and Development Unit.

The GCC absorbed two bodies from the TD. The first is a Development and Training Center (DTC). The center will be under the operations department. It will continue, in any case, to provide instructional aids to the entire army. The second body is the center for battle readiness, which will be under the command of the chief parachutist and infantry officer because of the connection between battle readiness and the general topic of target shooting and individual warfare skills. Also, a center for battle readiness will continue to serve all the units in the army.

According to Brigadier Doron Kadmi'el, Chief Artillery Officer, "At first glance, the standing and influence of the first corps officer has been impinged. There is some lessening of the ability of the corps command to deal with some of the things that affect the corps. In the same way, something of the independence of the first corps officer has been impinged, in that there is no longer a physical separation between the corps command and the GCC. But the program leaves room to turn the change into a spur to better and more accurate action by the corps commands, if several conditions are met. Training has to remain under the corps command. This is the formation that sets the professional standards of the corps, and it gives more chance for influence than anything else. The corps must be the only one making the decisions in the realm of leadership training for officers and for enlisted men. The corps must develop its own corps combat doctrine, influence the development of weaponry and oversee the absorption of the new weapons. Right now, the reorganization plan does include all these conditions. If the situation continues into the future, the character of the corps will be preserved. The main areas of corps responsibility have not been impinged as a result of the plan. On the contrary—it is possible that as a result of the transition to GCC headquarters, we will have greater influence, depending on how things are actually carried out. If we learn to set proper work procedures in the field corps commands, then we will achieve a more efficient structure in the end; but if cooperation between the GCC and the corps commands is not achieved, we are liable not to reach the result we hope for from the plan. In my opinion, we are on the right track right now, and so I am optimistic. Nevertheless, we must stay on guard all the time.

Chief Infantry and Parachute Officer, Brigadier Doron Almog, believes that "in the end, the reorganization plan is going to create better conditions for best utilizing our power. But this is a process of change, and every change is difficult. Today, working out the strategy is hard, but I hope that the system will be well-oiled in the end."

As to the status of the chief corps officer, this depends on how the process develops. So, for instance, the infantry was rather neglected until recently, from the budgetary point of view. It is possible that now, following the move to GCC headquarters, we will have more chance to influence the budget. There are other things we will be able to carry out more easily now. I hope that the new organization will improve effectiveness in the GCC and the land force."

In Chief Engineering Officer, Brigadier Yishai Dotan's, opinion, "The reorganization plan leaves the most important things in the hands of the chief corps officer: combat doctrine, accompanying the development of weaponry, supervision of the training bases, etc. The less important things have been taken from us, and are dealt with by the GCC now. The main thing that has been negatively affected here is unity of command. This creates a situation where the corps officer deals with a portion of the topics connected with the training base, for example, but not all of them. This is a process that began in the past, and has become more and more complicated. The problem of unity of command already existed, and will continue to grow."

"I am satisfied with the current result, not compared to the former situation, but to the situation we were liable to reach. There was a proposal, in which the corps commanders would not have responsibility for the training bases, but would serve only as professional advisers to the commander of the GCC. Compared to a situation like that, today's solution is a solution one can live with, even though it clearly is not as good as the situation that existed before the reorganization plan."

[box, p 20]

**Brigadier Yitzhaq Rabin, Chief Armored Officer:
Centralizing Authorities in the GCC Is a Mistake and
Against Accepted Practice in the World**

"After the plan to reorganize the Ground Corps Command, any additional reduction of the corps commands will mean—their cancellation. I do not believe that the corps commands will be canceled. It is hard for me to believe that the army could find a better replacement." Thus, chief armor officer, Brigadier Yitzhaq Rabin, puts it.

In his words, the main harm that the reorganization plan has caused is in the realm of unity of command in the corps, and in the circulation of work between the corps units and staff. "The steps toward reductions were taken with the aim of simplifying work procedures. But, in my opinion, the reduction only made those processes more cumbersome."

The authorities of the chief corps command, says Brigadier Rabin, not only have not been hurt; they have even been strengthened, especially in the area of corps doctrine.

"The activities of the chief corps officer in the realms of manpower training, absorption of weaponry, and writing of the corps doctrine have remained as they were, according to the reorganization plan. The move to the GCC has only strengthened the influence of the chief corps officer."

"Reductions in the signal, maintenance, and ordnance formations were made based on the belief that there is no room between the GCC and the units subordinate to the corps for an intermediate level in the area of logistics. But, in my opinion, the reduction will only complicate the work. On the surface, it seems that work of the units placed near the GCC is speeded up, but life teaches that as a result of the difficulty in closing and strengthening administrative circuits, work is slowed down more. We are already seeing signs of this today."

"It is true, the reduction is only on the logistic side, but in my opinion, it impinges on the unity of command. There are those who claim that it is possible to live with this, and that the corps command can run the training bases even without the logistic strata. In my estimation, that interferes with the full functioning of the corps and also with the character of the activities of the units."

"The central authorities of the chief corps officer (manpower training, improvement of professionalism, and absorption of weaponry) not only have not been impinged, but have even been strengthened. The reinforcement of the Armored Corps Doctrine Department in the Unit Readiness Branch gave a strong push to the subject of doctrine. Being located in the GCC headquarters will allow us better to influence all the processes and decisions."

"My feeling is that it is a mistake for the GCC to take to itself all the resources—manpower, budgets, and various means—instead of decentralizing them in the corps. This has created a strongly centralized system that deals with many areas—the training bases, courses, and exercises—instead of building up the corps to the extent necessary to turn it into a body capable of acting as a fully operational unit."

"It would be preferable for the GCC to keep control, development, inspection, and budget management in its own hands and within definite periods of time, measure the "subcontractor"—the corps, according to its own output, that is, according to quality and resource management."

"It is hard for me to understand how when every other place in the world, and in Israel, is decentralizing resources and authority in order to increase output and quality, here we have reached the opposite situation. I do not support this centralization."

[Bamahane] Would you say that the prestige of the position of chief corps officer has been diminished?

"No. Chief corps officer is a very interesting and influential position. The more people talk about the importance of cooperation and multicorps combat, the more the importance and responsibility of the chief corps officer, who is called on to improve the professionalism of the teams of tank commanders and officer teams and their officers, grows.

[top box, p 21]

The Main Points of the Plan

Canceling the logistic bodies (Ordnance, Maintenance, Medical, etc.) in the chief corps commands

Giving the GCC an independent source of funding

Moving the Armor, Artillery, Engineers, and Infantry to GCC headquarters

Moving the responsibility for physical fitness, acquisition of training aids, and authorization of all exercises carried out under fire on land—to the GCC

An organizational change in the structure of the Combat Doctrine Department, setting up a body for administration of training under the Deputy Commander of the GCC, and combining the Intelligence Branch with the Doctrine and Development Section

[bottom box, p 21]

Corps Officers Should Be Situated In Their Training Bases

by Major General (Reserves) Amir Drori

When the discussions on setting up the GCC began, right after the Yom Kippur War, General (Reserves) Amir Drori, then chief of the Training Division, was among those opposing the idea.

The idea was deferred then, but in 1979, was considered again and accepted. The GCC was actually set up in 1984. In 1986, Major General Drori found himself the Commander of the GCC, the same body whose founding he had opposed from the beginning. During his term as the second Commander of the Ground Corps, after Dan Shomron, many of the work procedures of the GCC were established. It was decided then what the authorities of the chief corps commands would be, and what the responsibilities of GCC headquarters would be. Today Drori describes what took place then as "a very difficult and painful process." He agrees that founding the GCC took many responsibilities away from the chief corps officers and their commands. But in his opinion, command of the training camps should remain in the hands of the chief corps officers.

"The subject of relations between the GCC and the corps, and between the GCC and the General Staff was very central during my term as commander of the GCC.

We established then—not only theoretically, but actually—exactly what the corps would do, what the GCC and the General Staff would do. The theory had always existed, but every day things were stronger, and therefore it was necessary to establish what the functions and structure of the corps commands would be. During the same period, a substantial change took place, from this standpoint. The GCC siphoned many functions away from the corps, in almost every area. Direct contact between the corps and General Headquarters ended, and the GCC turned into the high command. Work procedures changed completely. This was a very painful operation, and much effort had to be sunk into the matter. Everybody tried to protect, at least in the first stages of the building, the tradition of authority they had before. According to what was established then, the corps dealt with combat doctrine, conditioning corps manpower, and training, up to a certain level. All other authorities, including equipping forces, development of weaponry, and training at more advanced levels, were in the hands of the GCC."

[BAMAHANE] What did the chief corps officers think then of the process that lessened their authority?

[Drori] We had no problem with the chief corps officers. I had had the opportunity to serve with most of them in all kinds of assignments in the past, so that we knew each other. Beyond the professional disagreements, there were no problems. This really helped the reorganization and helped to set bounds between different bodies.

[BAMAHANE] Should command of the training bases be the responsibility of the chief corps officers, or the GCC?

[Drori] My position is that the chief corps officer should have direct command of the training base of his corps. This gives him direct influence over the conditioning of the fighting force, over development of command in the corps, development of the combat doctrine, and training of regular and reserve units. In my opinion, the command must be located in the same place where the chief corps officer and his staff in all areas. During my term, the Armor School and the Armor Command were moved to the south. The move was accompanied by a big debate. Happily, I was able to have an influence in that matter. After the move, everything was done in the "courtyard." The chief corps officer was able to stand on the roof and see how they were building the force and preparing it for combat. If the chief corps officer is not involved in corps doctrine, in conditioning manpower and training units, in effect he becomes a commander, i.e., a clerk, who is not actively involved in building the force—the main function he should be filling. It is understood that if the chief corps commands are situated at GCC headquarters, this will shorten the work processes, and perhaps improve communications between the corps commands, but the question is always what happens at the end of the hose, below, and not what happens on the way. That is, what is most important to

ask here is how can the units be more battle ready and how can a better doctrine be formulated. That can be done, in my opinion, by placing the command in the same place as the corps training base.

[BAMAHANE] According to the process that began during your term as commander of the GCC, and continues in the present plan, the authorities of the chief corps commanders are reduced. Is it possible that in the future there will be no division into corps?

[Drori] The professional mission of the corps will always exist, and therefore I do not think that something like that will happen any time soon. Training fighters is expensive and time-consuming, and it is impossible to train all of them for everything. One has to work within a professional framework. A flyer, also, does not learn to fly a warplane, a helicopter, and a transport plane. It is true that in the American Marines there is both a tank force and a navy, but this suits them, not us. Something like that does not seem practical to me.

Central Commander on Combating Intifadah

92AE0304A Tel Aviv BAMAHANE in Hebrew
25 Mar 92 pp 22-23, 43

[Interview of Major General Dani Yatom, Commander of the Central Command by Avi Garfinkel; place and date not given: "The Populace in Judaea, Samaria, and Gaza is Sick of the Difficulties"]

[Text] [Garfinkel] Maj. Gen. Yatom, is the latest wave of terror, including the international, the result of the killing of the leader of the Hizballah, 'Abbas Musawi?

[Yatom] I do not agree that there is a dramatic increase in terror. Terror has been a phenomenon for many years, and we have witnessed more than once cases of a wave of attacks that peaks and then wanes. It is correct that, in the recent period, there is an effort to carry out attacks. There are two reasons for this. One is the peace process. Since the Madrid conference, there are attempts by the organizations that oppose the process to carry out terror activities. The Fatah organization (which supports the process) also continues to engage in terror. The aim of the Fatah is to push Israel into a corner during the negotiations. The other factor in the attacks is the death of Musawi. The first reaction to his death was the firing of Katyushas on the settlements in the north. These attempts will not end, and the terror will be with us in the future, as well.

[Garfinkel] On the occasion of the holiday of Ramadan, which is now occurring, a series of gestures was made towards the populace, such as the release of 300 prisoners or the lifting of nighttime curfews. Is this the appropriate time (in view of the increase in violence) to make such gestures?

[Yatom] The principle is to differentiate between the hard core, which engages in violence, and the population in general, even though it is difficult to draw the thin line

that separates them. We will not harm anyone who wants to live in an ordinary way. It is not a simple thing. We will act so that the quiet population will be able to live as usual, and this may be achieved by means of such gestures, which are made not only during the holiday of Ramadan. For example: we removed many roadblocks that were in Judaea and Samaria, but we continue to impose a curfew whenever it is necessary from the security viewpoint.

[Garfinkel] Despite the gestures, the population continues to aid the hard core and will continue to do this as long as the wanted persons frighten them more than the IDF [Israel Defense Forces].

[Yatom] The IDF is not competing with the atrocities of the wanted persons. They are inhuman, and there is no possibility that we will degenerate into their situation. The way to solve the problem is by hitting the wanted persons themselves. Wherever there is no hostile terror activity, we will act together with the [Civil] Administration to improve the quality of life, and then we hope that the population will see that wherever there is quiet, life goes on as usual, and they will act to eject the wanted persons from their midst.

[Garfinkel] Most of the attacks that were successful, from the terrorists' viewpoint, were carried out by persons connected with Hamas. Was it a mistake to have cultivated this radical organization in the '70's in order to weaken the more moderate Fatah?

[Yatom] I do not want to relate to what was done many years ago. I am ready to relate to the present reality. Not only is the Hamas acting against the State of Israel, but also many varied entities from the entire political spectrum. The IDF is fighting all of them. The specific success of the Hamas stems from the fact that its members are driven by the enthusiasm of faith. They are more willing to sacrifice than others, including endangering their own lives. At the same time, we must not forget that other entities, such as the Fatah, have had successes.

[Garfinkel] What is the special difficulty that is posed by the struggle with these entities?

[Yatom] The fight against internal terror is more complex. The terrorists are well acquainted with the environment and sometimes enjoy the support of the local population. Also, the IDF is not able to use against them all the weapons that it has. It is impossible to do in Ramallah what we did in Lebanon in response to the Katyushas. At the same time, it should not be forgotten that the IDF operates almost daily against the terrorists in the territories. As a result of this activity, which is mainly offensive, hardly a day goes by without the apprehension of terrorists.

[Garfinkel] If that is the case, why is the terror not wiped out completely?

[Yatom] Whoever seeks to hit us—does not have a complicated job. In Judea and Samaria there are 1,500 km of roads on which travel daily 40,000 Israeli vehicles. To set up an ambush in such conditions—it could not be easier. It does not require courage, resourcefulness or a high level of military competence. Our response to that is to concentrate effort on securing the roads.

[Garfinkel] You served for about four years in the position of chief of the Planning Branch. Have you "brought" something from your previous position to the bureau of the Major General of the Central Command?

[Yatom] The previous position gave me a broader view of the overall needs of the IDF. I am also aware of the IDF order of priorities. Today, it helps me to understand decisions that are not consistent with the specific interests of the Command. I am glad that this does not occur a lot. The C-O-S and the minister of defense said often that the intifadah is a very important objective for the IDF. I receive the maximum resources that I need.

[Garfinkel] Can it be said that you receive these resources because, as the former chief of the Planning Branch, you are acquainted with the "opponent" in the General Staff, and know how to negotiate with it?

[Yatom] No. The arguments that I raise in requesting resources are operational, not organizational, arguments. Take, for example, the increase in the order of battle in Judea and Samaria by 20 percent. My philosophy says that the level of the order of battle must be flexible and adjusted to the circumstances in the field. However, there is a minimum level of order of battle that is necessary in order to achieve the "iron" objectives, such as lookouts or positions in various places. I slashed precisely there, so that only those activities that are truly necessary will be carried out. In contrast, there will always be insufficient manpower to meet all of the security objectives that are posed by the field, and I have already mentioned the matter of the roads.

[Garfinkel] It was printed in the newspaper HADASHOT that the Command, as it were, is not succeeding in using the reinforcements, which supposedly are sitting idle, and that an audit that exposed the issue—was whitewashed.

[Yatom] These publications are chatter. The exploitation is carried out very well. There is also room for additional companies. The second audit, which supposedly was a whitewash, was in completely different locations. Nevertheless, it must be admitted that there are mishaps or failures along the way. One can find isolated islands in which there are local problems, such as the nonexploitation of the order of battle, but the general picture is one of full exploitation. The regular and reserve forces are working very hard and long hours day and night. No one is idle.

[Garfinkel] Would you agree that the intifadah has changed its appearance?

[Yatom] The popular dimension has almost disappeared from the intifadah. The first years were characterized by popular demonstrations and massive stone throwing. In 1991, a decline of 50 percent from 1990 was recorded in stone throwing, while the mass demonstrations disappeared. The attitude to the Civil Administration also changed. The security objective is easier. The populace is sick of the difficulties, and it is cooperating with the Administration. This contrasts with the first years, when it was boycotted by the local councils and there was even an attempt to establish a substitute in the form of the popular committees. Now, there are signs of a return to normal life. For example: the educational system, which is already no longer a base for sorties of violent activity. All 1,200 schools in Judea and Samaria are open, and studies are proceeding normally. Also, coffee shops are open longer hours, and it is possible to see family events, which were not celebrated at the beginning of the intifadah. Another phenomenon is the disobedience to limitations that are imposed in pamphlets. Even regarding strike days, they do not always obey.

In contrast to the decline in the popular dimension, an increase in terror and in the use of firearms has been recorded. Today, only a small number of armed groups continue the violent struggle. The war against them has the highest priority for us. While there are many apprehensions of wanted persons, the ranks are renewed all the time.

[Garfinkel] Have the IDF's activities changed as a result of the change in the character of the intifadah?

[Yatom] We are compelled to carry out mobile and not routine activity. This activity, which is taken on initiative and is offensive, and uses special units, introduces into the field the factors of deterrence and uncertainty. Whoever is planning attacks cannot read our routine in advance. That person will constantly be in fear of his life and will think twice before he goes out on activity against us.

[Garfinkel] Is it true that the best forces and the highest quality individuals in the IDF are being allocated to deal with the intifadah?

[Yatom] We are taking care that the command that has the responsibility for handling the territories will be of the first rank. It is expressed in the appointment of the divisional commander and the commanders of the brigades in Judea and Samaria. In the field, there is broad activity by special and select units, which have developed expertise in handling the intifadah. They excel in knowing the area, the population, and the vulnerable points of the wanted persons. Likewise, there is an upward trend in the order of battle of regulars in the territories.

[Garfinkel] Preparedness for war is the most important objective of the IDF. Is the investment in the intifadah not impairing this preparedness?

[Yatom] The activity in Judea and Samaria contributes to the military ability of the units that are engaged in it. This activity is conducted along military lines. The activity involves combat procedures—preparations, summing up, and inquiries.

Good commanders know how to extract from such activity opportunities for cultivating the junior officer, initiative, independence, and the social cohesiveness of the unit, which will be expressed in battle, as well.

At the same time, the army continues to prepare for war. The proof: the IDF's intensive training plan is being carried out as it should be. Training of the regular forces is hardly impaired, and the impairment of the training of the reserves is tolerable. Big exercises continue to be conducted all the time, and on the bottom line—there is no impairment of the ability of the IDF.

[Garfinkel] Are the orders for opening fire, which were changed at your initiative, going in the direction of an easier finger on the trigger?

[Yatom] The aim of the change in the orders was to make the war on the armed terrorists more efficient and to skip over administrative restrictions that expose our forces unnecessarily. These instructions refer to terrorists who are armed with firearms. They are classified, so as not to make it easy for the terrorists to understand our mode of operating and to elude us. This is also the opportunity to note that those terrorists are also acting against members of their own people. Two thirds of the Palestinians killed each year are killed by their brothers.

[Garfinkel] It has been asserted that the regulation that forbids walking along the roadside was issued under the pressure of the settlers. The IDF denied this vehemently. Has this regulation proven itself?

[Yatom] This regulation has withstood the test of reality. Now, it is much easier and simpler for our forces to operate along roadsides that are almost devoid of persons during the night. Of course, we cannot be on every road simultaneously, and consequently we satisfy ourselves with a random imposition, which has resulted in fewer persons going about near the roads. Our activity along the roads is part of the overall activity, whose aim is to foil violence and terrorist activity.

[Garfinkel] How did the IDF arrive at the crisis of fistfights with the settlers?

[Yatom] It was the settlers' mistake. They thought that by their behavior, which, in my opinion, is entirely unacceptable, they would succeed in influencing various factors. However, in conversations, including during the period of the crisis, the settlers continued to express full confidence in the IDF. Today, they understand that they caused damage to themselves alone. It is forbidden to clash with the IDF, which is the center of the consensus. Another reason for the improvement in relations with the IDF is the improvement in the residents's feeling of security.

[Garfinkel] Could a "blowup" of the peace talks again ignite the field?

[Yatom] Part of the population has doubts about the prospects of success of the peace process, so that even if the process fails, the residents will remain indifferent. However, it is definitely possible that a blowup of the process would ignite the field and would bring an outburst of emotions and acts of violence. The success of the process would have a positive effect on the field.

Housing Ministry Aid to El'ad, 'Ateret Kohanim

92AE0307A Tel Aviv HA'ARETZ in Hebrew 29 Mar 92
p B1

[Editorial: "It is a Muslim Quarter, Not a Jewish One"]

[Text] The 'Ateret Kohanim association opened four stores in the Muslim Quarter of the Old City of Jerusalem on Thursday, and they are planning to open additional stores shortly. From sources close to the El'ad association, it was made known that it is planning to install tenants in five houses in the Silwan Village (Siloam Village); the association hopes to obtain a permit from the Committee for Building and City Planning for the consolidation of a very ambitious project: the construction of two hundred apartments adjacent to the Gate of Flowers. If the committee approves this plan, a Jewish neighborhood is expected to be established right inside the Muslim Quarter.

Whoever wants to explain the intensified activity of these two bodies can find an answer in the words of Shmu'el Me'ir, a member of Jerusalem's municipal council: "We will enter all of our properties in Jerusalem, regardless of expense, and we will start to develop them." The groups in whose name Shmu'el Me'ir speaks are greatly disturbed for fear that Ariel Sharon will not be the housing minister in the next government: "We will wait no longer for someone, but we will advance as quickly as we can, as long as the conditions are convenient," he said.

However, it may be presumed that the 'Ateret Kohanim men and the El'ad association would try to continue on their path, even if they feared the prediction that the next government would not support a Jewish settlement in the Old City.

They have already managed to deepen the discontent of the Jerusalem Arabs and to supply the international media with much material for articles that turn the attention of public opinion to the path of the Israeli Government in the "unified" city. No good will come to Israel from this attention, while it struggles over the exclusion of the new neighborhoods that have been built since 1967, according to the American definition of settlements in the territories.

The efforts of the religious-nationalist groups to infiltrate Jews into the Old City, outside of the Jewish Quarter, are not justified. It is even possible to ask

whether it was necessary to restore the Jewish Quarter, that was destroyed in the period of Jordanian rule; but, if it was decided to "renew our days as of old," certainly all governments were obligated to honor the principle of the separation of communities, according to which the Ottoman Empire operated and which the [British] mandatorial government preserved. If an Arab family was forced to abandon its apartment in the rebuilt Jewish Quarter, it was necessary to avoid any damage to the Arab character of the rest of the Old City quarters.

Except that the Likud avoided fulfilling this obligation, and the housing minister, Ari'el Sharon, encouraged the 'Ateret Kohanim group and the like. If the intention was to stop the danger of an Arab majority within the unified city, the construction of the new neighborhoods of Dugmat Gila, Eastern Talpiyot, and other neighborhoods on the northern edges of the city has totally removed it. No demographic-political consideration can justify a Jewish penetration into the Arab sectors of the Old City.

Men of the El'ad association say that it is their intention to take advantage of the presence of representatives of the Bureau of Housing on the Committee for Construction and City Planning that appointed Minister Ari'el Sharon. There is no doubt that they have someone on whom to depend. But if even a pinch of intelligence is left in the other bureaus represented on the committee, they must prevent the requested authorization; and if there is a chance that the U.S. Government will agree not to include the new neighborhoods of Jerusalem in the framework of the demand to freeze construction in the territories, this chance should not be jeopardized by additional construction within Arab Jerusalem.

Telephone Links With Arab States Tested

92AE0306C Tel Aviv HA'ARETZ in Hebrew 27 Mar 92
p 9

[Article by Gai Bekhor]

[Text] Following the opening of Israeli telephone lines to Arab countries, Jordan took a practical step yesterday and blocked all lines coming from Israel.

Beginning at 1000, it was no longer possible to call Jordan, the most important Arab state for telephone contact from Israel, because of the family contacts of the Palestinians from the two banks of the Jordan. The Jordanian Minister of Communications, Jamal Al-Sarayirah, announced two months ago that if Israel opened pirated lines to the Hashemite kingdom: "We will behave the same way."

It is still not clear how the Jordanians blocked the lines. Apparently, they blocked the lines of the British telephone company "British Telecom," coming from Great Britain, on the assumption that this European company was the one transferring the direct calls from Israel via London.

Jordan, along with other Arab countries expected to join her, hopes that cutting the British company's connection will force it to immediately stop acting as the contact for the Israeli "Bezek" company, in making calls from Israel to the Arab countries. Two months ago, the American telephone company "AT&T" was supposed to transfer the calls from Israel to 11 Arab countries, but changed its mind when the Arab countries refused to accept this contact.

The HA'ARETZ correspondent succeeded in getting through to Rabat Amon (Amman) shortly before the connection was terminated. Jamal Halabi, head of the American news agency, AP, in Rabat Amon, answered the phone. "Where are you calling from? Israel?" answered Halabi, stunned: "Please let me get to work!" When another question came, he let out a curse and slammed down the phone.

The chief of the Reuters' news agency in Rabat Amon, Jane Araf, explained to HA'ARETZ in a telephone conversation a month ago: "They will explain everything to you in our Tel Aviv office. Because of the sensitivity of the matter, I prefer not to continue the conversation."

The attempt to talk to the Jordanian Information Office, where foreign correspondents receive information from the authorities, also did not go well. "Hello, is this the Information Office?" "Yes." "How do you do. I am calling from the HA'ARETZ newspaper in Tel Aviv...." The phone slammed down.

"Arafat Will Arrive Later"

There was no trouble getting through to Tunis, and PLO leader Yasir 'Arafat's office, where they reported that he was not there and his secretary would arrive later. It was the same with the office of the organization's spokesman, Ahmad Ab'd al Rahman. Even after repeated attempts, no connection at all was achieved with Beirut, for the telephone exchange there is in very bad condition. Dialing the number did not even get a dial tone. Only a distant rustling could be heard to let one know that the number had really been dialed.

Dialing Riyadh in Saudi Arabia was very easy, and we got through to the editorial staff of the Saudi weekly, AL MAGLA, on the first attempt. The operator explained that at this hour (1000) "Nobody is here." After two hours, someone who presented himself as one of the editors answered. He refused to identify himself by name, and was shocked to hear that the caller was from the HA'ARETZ newspaper in Tel Aviv. He repeated the name "Tel Aviv" twice, then suddenly realized what had happened, and in an angry voice, accused: "You Jews show up everywhere! How in the world did you get here?" and slammed the phone down.

It seems that the direct telephone connection with the Arab countries will mainly help the Palestinians who have family members working in the Persian Gulf, or in other places in the Arab world, or if the dialer has in his hand a telephone number which he has reason to expect

will answer. Beyond that, in the Arab world they see in this Israeli connection an illegal infiltration, against international conventions.

Zvi Zerachia reports: We were told by Bezek that if an Arab country wants to stop the direct telephone connection with Israel, it will have to stop the telephone contact with that country that is connecting Israel with the Arab countries. In Bezek, they refuse to reveal which three countries are helping to create the telephone contact with the Arab countries. The assumption is that one of them is Britain.

At Bezek, they added that the company has a legal opinion that there is no infraction against international treaties in the act of handling the direct telephone connection.

The managing director of the company, Yitzhaq Kaul, said that Bezek sees itself bound to create a direct telephone connection with the Arab states, in order to answer the needs of the residents of the territories, and citizens within the green line, for telephone contact with the Arab countries.

KUWAIT

Government Contemplates Sale of Foreign Banks

92AE0336B London AL-SHARQ AL-AWSAT in Arabic 19 Apr 92 p 9

[Article: "Kuwait Studies Selling Some of Its Shares in International Companies"]

[Text] Kuwait—Kuwait is currently studying the possible sale of part of its shares in international companies and institutions in Europe and Southeast Asia, similar to what it did last week when it began selling its share in Britain's Midland Bank and in Spain's Santander Bank. At the end of last month, Kuwait also sold 5 percent of its stocks in the Hong Kong's (Juku) group.

Financial and economic sources said that this step is aimed at ensuring sufficient liquidity to provide the government greater flexibility to act and confront the nearly \$21 billion rise in expenditures in this year's budget—a rise of 67 percent over spending in the last budget.

The sources pointed out that the sales, which were handled by the General Investment Authority through its Kuwaiti Investment Bureau operating in the British capital, "may have realized some slight profits. Had the bureau waited a while, it would have been possible to realize larger gains than by selling now. However, current circumstances appear to have dictated the sale, inasmuch as the Investment Bureau is currently being required to provide liquidity to the Finance Ministry."

Kuwait has already paid its share in Operation Desert Storm. It is now striving to rebuild the oil sector, which is considered the producing sector that suffered the most

damage. Also, at the end of last year, the country borrowed \$5.5 billion to meet its obligations.

GCC-EC Meeting To Convene 16 May

92AE0336A London AL-HAYAH in Arabic 15 Apr 92 p 5

[Article by Sulayman Nimr: "European and Gulf Foreign Ministers To Meet in Kuwait"]

[Text] Riyadh—It has been learned from a responsible Gulf source that foreign ministers of the Gulf Cooperation Council (GCC) countries and their counterparts, the foreign ministers of the European Community (EC), will hold their third annual joint meeting in Kuwait on 16 May to explore developments in political and economic cooperation between countries of the two groups.

The same source explained that the political side of the meetings of the Gulf and European foreign ministers will deal with the situation in the Gulf region and security arrangements in the region. The Middle East situation and the peace negotiations, especially the multilateral ones, will also be discussed. On the economic side, the meetings will deal with results of the trade and economic negotiations held between the GCC General Secretariat and the Council on European Unity on free trade between the countries of the two groups, as well as with the development of economic and trade cooperation between them.

It should be mentioned that this is the third annual joint meeting of foreign ministers of the two groups. The second meeting was held last year in Luxembourg.

According to the same source, the GCC foreign ministers will hold a special meeting in Riyadh on 9 May to explore the topics to be discussed during their meeting with the EC foreign ministers in Kuwait.

In a related matter, the president of Argentina, Carlos Menem, will arrive in Riyadh on 4 May for a three-day official visit to Saudi Arabia. A diplomatic source in Riyadh told AL-HAYAH that President Menem will hold talks during his first visit to Saudi Arabia with King Fahd, dealing with strengthening bilateral relations between the two countries, especially in economic areas, and with conditions in the Middle East.

The Argentine president will leave Riyadh for a one-day official visit to Kuwait, after which he will go to Turkey and Egypt.

In addition, the GCC general secretary, Dr. 'Abdallah Bisharah, will make an official visit to China on 25 April. He will head a delegation from the GCC General Secretariat, including Assistant General Secretary for Political Affairs, Sayf (al-Maskari), and high officials from the secretariat. Bisharah has mentioned that his visit to China comes at an official invitation from the Chinese government to hold talks on relations between the GCC countries and China.

MOROCCO

King Receives Spanish Defense Minister Vargas

LD0705132792 Rabat MAP in English 1202 GMT
6 May 92

[Text] Rabat, May 6—King Hassan II, accompanied by Crown Prince Sidi Mohammed, received here Tuesday visiting Spanish Defense Minister Julian Garcia Vargas.

The Spanish official was accompanied by General Pigias, director general of the Defense Policy Department at the Spanish Defense Ministry and Spain's Ambassador to Rabat Joaquin Ortega Salinas.

The meeting was attended on the Moroccan side by Secretary General of the National Defense Administration General Mohamed Achahabar and Morocco's Ambassador to Madrid Azeddine Guessous.

The Spanish official who was guest Monday evening to a dinner banquet hosted in his honor by Crown Prince Sidi Mohammed conferred Tuesday with Moroccan Premier Azeddine Laraki.

The two sides voiced appreciation for the Moroccan-Spanish treaty of friendship and cooperation signed in July 1991 and that consecrated ties between the two countries bound by a common historical and cultural heritage. They stressed the need to increase exchange of visits between the two countries' officials and to have a common approach with regard to the regional situation in a bid to promote understanding between the two banks of the Mediterranean.

Garcia Vargas visited the Casablanca Navy Training Center as well as the air base and Royal Military Academy in Meknes (some 170 km northeast of Rabat).

Spanish Minister Departs; Visit Productive

LD0805145792 Rabat MAP in English 1248 GMT
8 May 92

[Text] Marrakesh, May 8 (MAP)—Spanish Defense Minister Julian Garcia Vargas left Morocco Thursday at the end of a few days visit during which he was received by King Hassan II.

Garcia Vargas told the media upon departure that his visit was "positive and fruitful" and that it would undoubtedly contribute to the consolidation of relations between the two countries in defense matters.

He said the Moroccan-Spanish joint commission to convene in the coming months will provide an opportunity to assess bilateral relations and explore means of further strengthening them.

SAUDI ARABIA

Economic Recovery Predicted With New Laws

92AE0320A Paris AL-DUWALIYAH in Arabic
23 Mar 92 pp 32-33

[Article: "Saudi Arabia To See Economic Revitalization in Coming Months"]

[Text] Riyadh—The Kingdom of Saudi Arabia is entering a new period of economic revitalization after the promulgation of three laws—the fundamental governance law, the consultative council law, and the districts law—by King Fahd bin 'Abd-al-'Aziz, custodian of the two holy mosques, with the long-range political, social, and economic security these laws will provide.

Economic analysts think that with these new laws the role of the private sector in Saudi Arabia, especially the investment sector, will witness an overall process of change. This change will concentrate on a shift of interest by banking institutions and investment houses from the class of large investors to the broad base of medium-sized and even small investors. These facts as a whole are the basis or focus around which the discussions and concerns of economic and other luminaries in the kingdom, both private and governmental, turn. The kingdom's ability to face the challenges will be defined and the obstacles facing the process of funding investment expansion in coming years will be overcome to the extent that new vehicles and opportunities to mobilize, invest, and develop national savings are provided. This will define the degree of the kingdom's effectiveness in bringing about the desired shift to enable the national economy to generate stable and cumulative growth rates in the future.

Dr. 'Abdallah Tahir al-Dabbagh, general secretary of the Council of Saudi Chambers of Commerce, said in an interview with AL-DUWALIYAH that the atmosphere produced by the announcement of the three laws will give the market greater movement in absorbing the movement of family savings performance. The laws will stimulate investigation of the extent of the adequacy of available investment instruments in developing, mobilizing, and recirculating these savings, either in the form of long-term lending operations or in the form of immediate investment operations. This should lead to covering the funding gap that has recently emerged in the area of bank and government loans and consequently help the regularity of economic expansion movement in the kingdom, especially in large-investment and high-productivity areas or projects.

Al-Dabbagh added that there is a pressing need to speed up maximum utilization of family savings in light of the increased role desired from the private sector in the area of domestic investments; this at a time when average government loan rates have decreased from 18 billion Saudi riyals in 1405 A.H. [1984-1985] to about 5 billion riyals in 1410 A.H. [1989-1990]. In the same period, operations by commercial banks have decreased from 58

billion riyals to 54 billion riyals. One should bear in mind that loans to the productive investment sectors whose expansion is desired cover only 10 percent of total bank credits. It has also become apparent that there is a high tendency for the family sector to invest in individual low-productivity projects. The number of small individual enterprises increased by 103,000 during the period from 1402 A.H. [1981-1982] to 1410 A.H. [1989-1990], at a time when the business sector's need for funds to establish more productive economic projects was increasing. This can be remedied henceforth by intensified efforts to create a number of investment instruments and vehicles able to convince this group of the benefit of turning to more effective economic activities than the ones in which they are currently investing. What is the volume of these savings?

Sources in the Saudi Monetary Agency state that family sector savings (Saudi and non-Saudi) increased from 8.5 billion riyals to about 13 billion riyals in the period from 1402 A.H. [1981-1982] to 1410 A.H. [1989-1990], for a cumulative increase to over 68 billion riyals. Savings of the Saudi family sector formed about half of this total or the equivalent of 34 billion riyals. (This assumes that the size of the non-Saudi work force is four times that of the Saudi work force and that Saudi wages average four times those of non-Saudis.) The importance of these savings in terms of the role they are expected to play in funding domestic investments in coming years also appears from the prominent position they have begun to occupy in total domestic savings. Their percentage increased from about 3.5 percent in 1402 A.H. [1981-1982] to about 30 percent starting in 1407 A.H. [1986-1987].

Typically, this class of small and medium savers is characterized by a number of savings characteristics and behaviors we think must be considered when one contemplates any attempt to attract their savings through existing or expected savings vehicles and instruments.

The most important of these characteristics and features are:

- Linking savings to Islamic belief—i.e., not using usurious forms of interest.
- Increasing available facilities to raise savings rates and encourage habits of saving, at the expense of the rate of consumer spending on social occasions and other things, the role that specialized investment institutions must assume in the area of rationalizing such expenditure being important.
- The group of savers composed of minor and major officials and small businessmen and independent professionals with individual incomes ranging from under 100,000 riyals to about 300,000 riyals a year on the average is characterized by being very sensitive to the liquidity of their wealth. They are primarily interested in investing in instruments that can be liquidated at need. In general, these savers are conservative in their investment choices. This indicates that their savings could be attracted by financial

institutions specialized in this field, provided that investment instruments meeting all the aforementioned predilections and characteristics are made available to them.

Of course, certain negative aspects of the movement of savings in the recent period have impacted the growth of individual savings. For example, domestic consumption increased from 67 percent in 1403 A.H. [1982-1983] to 83 percent of total individual income in 1410 A.H. [1989-1990]. This led to a decrease in domestic saving from 33 percent to 17 percent in the same period. This led to a sharp decrease of this saving, even from the mark of the relatively low investment levels that with the end of the year 1410 A.H. [1989-1990] constituted about 22 percent of domestic income. This generated a shortfall in savings that was 5 percent below meeting investment requirements. The problem becomes more severe when we realize that this savings gap, estimated at 99 billion riyals for the 1402-1410 period [1981-1990], was funded by withdrawing from balances belonging to the government and private sectors overseas.

Thus one sees the extreme importance of the role that government financial and monetary policies must play on the one hand and likewise specialized investment institutions in preparing methods able to rationalize consumption rates and raise saving rates to the mark at which they can finally balance between domestic saving and domestic investment.

It remains to be asked: To what extent are actually existing investment instruments effective in mobilizing and reinvesting individual savings in efficient domestic projects? If we review domestic Saudi banks, we find that although their ability to mobilize both individual and institutional savings increased from about 49 billion riyals in 1400 A.H. [1979-1980] to more than 125 billion riyals in 1410 A.H. [1989-1990], an approximately three-fold increase over 1400 A.H. [1979-1980], the uses of these funds, either in the area of loans or in the area of domestic investment, were not as effective as the operation of attracting these funds from the domestic market. Short-term lending dominated the credit operations of these banks (about 90 percent of total) in a way that limited many of the facilities that ought to have been provided for medium- and long-term credit. This on the one hand; on the other hand, it was noted that bank deposits abroad formed about 67 percent of total bank deposits (open and savings accounts) in 1410 A.H. [1989-1990], at a time when domestic loans did not exceed 47.5 percent of this total. As for participation by these banks in domestic projects, it did not exceed 1.9 percent of total deposits. This gives some indication of the need to review this situation that impedes the effective role that domestic banks ought to play in the area of funding and helping found national projects, particularly if certain legal and administration measures were taken in this area that would tend to broaden this role and render it more effective.

As for other, non-bank instruments, we find that the number of joint stock companies reached 56 in 1407 A.H. [1986-1987], with paid capital of 42 billion riyals. This gives an indication of the need to expand and diversify this form of company, especially given the existence of 7,000 companies in the kingdom. Note that electricity companies dominate over 54 percent of the total number of shares issued by joint stock companies, against 15 percent in the manufacturing sector, 13 percent in the cement sector, 10 percent in the services and utilities sector, 5 percent in the bank sector, and 3 percent in the agricultural sector.

The Council of Saudi Chambers [of Commerce] sees the need to stimulate domestic savings, especially small and medium savings. This can be done by creating or developing short-, medium-, and long-term government investment bonds, so that individuals are allowed to invest in them in the same way that commercial banks are allowed. The circulation of such bonds in the money market should be facilitated as an important new vehicle or instrument of domestic savings able to redirect savings into more effective investment directions. Ministries and government agencies should support and develop savings consciousness on the part of citizens by adopting integrated programs of education and coordination with domestic banks and banking institutions in this regard to deepen the level of savings consciousness on the part of the largest possible number of citizens. Thus they will be made more attracted toward investing their surplus money in areas of rewarding investment. The creation of investment clubs should be encouraged, to urge small savers to periodically deduct small portions of their income to be directed to buying stocks and bonds. A long-term investment strategy should be laid out that takes account of all new circumstances. There should be cooperation in this area with national committees representing businessmen to define the most appropriate investment alternatives or priorities through which this strategy should be encouraged. Government lending banks should be called upon in this context to look for good new investment opportunities, and, after studying and analyzing them, they should present them to possible investors. There should be a call for developing the domestic financial market, bearing in mind that this development process is a basic condition for developing the domestic investment climate and thereby rendering it more able to attract savings.

Cost of Living Decreases 8 Percent in 10 Years

92AE0320B Jiddah 'UKAZ in Arabic 26 Mar 92 p 8

[Article by 'UKAZ political editor: "Only Country Where Costs of Living Have Dropped 8 Percent in 10 Years"]

[Text] The decrees issued by the Council of Ministers lowering fees on a number of basic commodities and services have brought an enormous return and undoubted benefit touching every family, citizen, and resident and relieving everyone of an important part of

the costs of living, which in fact have seen no rise for more than 10 years. The reductions are various and affect important commodities of household and family use, such as gasoline, gas, water, and electricity. Other reductions involve services affecting business employees and guarantors. For example, commercial register fees and fees for a final exit visa are being lowered. Also included is a reduction of concern to every Saudi citizen by virtue of citizenship, namely a reduction in the fees for issuing a passport. Another reduction will affect economic life in its entirety and have the positive effect of lowering the prices of almost all commodities, namely a reduction in fees for port services.

Yet despite all these undoubted and assured benefits and advantages, their real value cannot be estimated and established separately and apart from the rest of our economic conditions, other kinds of services and utilities, and the prices of the remaining basic consumer goods, whether their prices move down or up. All this must be compared with conditions in other countries whose circumstances resemble or differ from the circumstances and conditions of this kingdom.

Thus, a reading of the effects of these recent reductions and an assessment of their true value must be based on a number of statistics and facts. It must be done in the context of taking a number of matters into consideration. The following is an attempt at this goal.

First, the reduction in the prices of these commodities and services is part of a 10-year overall continuing reduction in the average cost of living benchmark in the kingdom.

From 1983 to the present, living expenses and costs in the kingdom have been declining continually, though a few areas continue to rise or are stable.

Saudi Arabia is unique in this and differs from the world's other countries, where prices have increased many times during the last 10 years. Official figures from the General Statistics Office indicate that the average cost of living benchmark in the kingdom fell by about 8 percent from what it was in 1983, even before the recent reductions were made.

Observations on these statistics:

1. The overall cost of living benchmark in the kingdom dropped by 7.6 percent between 1983 and 1990. In other words, total living expenses costing a family 1,000 Saudi riyals, for example, came to cost it only 924 riyals. The kingdom is unique in this among all the nations of the world, where living expenses are continually increasing.

2. The decrease was greatest in housing and associated costs, which dropped by 35.9 percent, or more than one-third. In other words, housing costs that were 10,000 riyals a year, for example, in 1983 cost no more than 6,410 riyals in 1990.

3. Some goods and services have seen a rise. This was greatest in transport and transportation costs, which

increased by 34.9 percent. Medical expenses increased slightly, 4.9 percent, from what they were in 1983.

If we realize that the increase in transport and transportation expenses can be attributed basically to the 1988 gasoline price hike, the new reduction in gasoline prices to what they were before 1983 will return the transport and transportation costs of people in the kingdom to less than they were in 1983, notwithstanding the relative influence of automobile prices on this figure. Also, these figures were computed before the reduction in fees for driving and operating licenses, which enter into expenses for transportation. This proves that the choice of goods and services for price reductions was not random or arbitrary; rather, the most important things affecting costs for the Saudi family were selected.

Also, the slight increase in costs of medical services (4.9 percent) in 10 years is basically attributable to the great qualitative change in the level of medical services during the past 10 years. It is a change equal to dozens of times this figure, because of the tremendous development this field has realized. Furthermore, it does not take into account free medical services in state and armed forces hospitals.

4. These figures were drawn essentially from residents of 10 major Saudi cities: Riyadh, Jiddah, Dammam, Abha, Buraydah, Mecca, Medina, al-Ta'if, Tabuk, and al-Hufuf. It is well known that living costs and expenses in the smaller cities, villages, and districts are lower than in the major cities.

These expenses were computed for families with a medium standard of living. Families below the middle level have expenses much less than middle level families and have a greater reduction.

5. These figures relate to before the issuance of the recent reductions. If these reductions are added, average living costs in the kingdom will decrease by a further large percentage, particularly because the goods and services whose prices were reduced involve a very important part of the life of every family. The reductions will specifically and fundamentally affect expenditures for housing and its appurtenances (electricity, water, and gas), transport and transportation, and other expenses and services. Also, they will affect other goods and services indirectly.

International Testimony

In this regard, we need only quote the contents of an International Bank for Reconstruction and Development [IBRD] report on world development in 1991. The report documents the kingdom's unique case when it speaks about the inflation rate between 1980 and 1989 in the countries of the world. While the figure reached the decades or hundreds in countries of the world, it was -4.4 percent for Saudi Arabia. In other words, there was a continued decrease in overall prices and an increase in the purchasing power of money—the opposite of all the countries of the world.

Second, the real value of the recent reduction in prices and fees on goods and services becomes evident in the context of the general level of prices in the kingdom. This level is less than its counterpart in both developed and developing countries. Let us examine the figures for some basic consumer goods and compare them to other countries on the basis of official and academic statistics.

The price of gasoline, which was recently reduced from 53.4 halalas [100 halalas=1 riyal] a liter to 33.4 halalas a liter, was considered the lowest price per liter of gasoline in the world, even before the reduction. For example, the price of a liter of gasoline in the Gulf countries is as follows: Bahrain, 99.6 halalas; Qatar, 97 halalas; UAE, 89 halalas. In the United States, the price is 1.06 riyals; in Nigeria (an oil-exporting country), 1.25 riyals; in Britain (an oil-producing and exporting country), 2.33 riyals. One should make allowance for the fact that these figures for other countries have increased in the last three years, inasmuch as the statistics are for the year 1988.

A field study by the Chamber of Commerce, in cooperation with an international consulting firm, showed that prices for basic commodities in the kingdom are less than their counterparts in 10 countries of the world, which the study sampled by continent as follows:

Rice: The price of a kilogram of rice in the kingdom is less than its counterpart in Japan, Italy, Britain, and the United States (among the richest countries of the world) by amounts ranging from 33.7 percent to 143.8 percent.

Sugar: The price of a kilogram of sugar in the kingdom is less than the price of a kilogram of sugar in Japan, Italy, Britain, and the United States by amounts ranging from 89.4 percent to 192 percent.

Bananas: The price of a kilogram of bananas in the kingdom is less than the price of a kilogram of bananas in Japan, Italy, and the United States by amounts ranging from 22 percent to 178.5 percent.

Tomatoes: The price of a kilogram of tomatoes in the kingdom is less than the price in Japan, Italy, Britain, the United States, and Singapore by amounts ranging from 55.8 percent to 286 percent.

Potatoes: The price of a kilogram of potatoes in the kingdom is less than in the United States, Japan, and Singapore by amounts ranging from 39.4 percent to 191.4 percent. The price in Italy and Britain is less than in the kingdom. (Potatoes are a staple food in Europe.)

Dairy products: The price of a liter of milk in the kingdom is less than in Japan, Italy, and Singapore by amounts ranging from 2.4 percent to 45.7 percent. The price of a dozen eggs in the kingdom is less than the price in Japan, Italy, and Britain by amounts ranging from 41.6 percent to 103.5 percent. The price of butter in the kingdom is less than the price in Japan, Italy, and America by amounts ranging from 45.4 percent to 83 percent.

Chicken is from 14.5 percent to 189.3 percent less expensive.

Meat is 76 percent less expensive than in Japan, and 87 percent less expensive than in Italy, while its price in the kingdom is equal to its price in the United States.

Fish: The price of fish in the kingdom is less than the price in Japan (the country of fish), Italy, Britain, and Singapore by amounts ranging from 45.9 percent to 254.5 percent.

Cooking oil: The price of corn oil in the kingdom is less than the price in Japan, Italy, America, and Singapore by amounts ranging from 33.4 percent to 178.8 percent.

The price of cooking butter is less in the kingdom than in Japan, Italy, Britain, and America by amounts ranging from 12.2 percent to 221.6 percent.

Mineral water: The price of a bottle of mineral water in the kingdom is less than the price in Japan, Italy, Britain, America, and Singapore by amounts ranging from 57.9 percent to 178.9 percent.

Pepsi: The price of a pack of Pepsi in the kingdom is less than the price in Japan, Italy, Singapore, and the United States by amounts ranging from 12 percent to 174 percent.

Of course, these countries were chosen for comparison because of the closeness of income levels in them to those in the kingdom, because they represent the different continents of the world, and because they follow free market economics.

Reduction Where There Are Factors for a Rise

Third, these measures come against the background of a number of indicators and facts that one might suppose would cause the opposite—that is, that prices of goods and services should rise, not fall. Among these factors:

1. The wave of price increases internationally: Average prices for goods and services in the various developed and developing countries of the world can be seen to be increasing sharply and continuously for structural reasons related to the nature of the current stage of the world economy as a whole and for reasons having to do with groups of developed countries, especially the European countries, which have turned to adopting policies of lowering subsidies for some products and imposing high customs duties on raw materials to encourage the export of semiprocessed and manufactured goods.

Because Saudi Arabia, like other countries of the world, depends on abroad to fill many of its needs, including fully manufactured and semiprocessed strategic goods and raw materials, it was natural for the prices of these goods to rise because of the increased cost of obtaining them.

2. Prices and expenses for transport, freight, and insurance on goods have risen. This rise climaxed during the Gulf crisis, and prices have not yet returned to their pre-crisis levels.

3. This magnanimous action takes place at a time when the kingdom is shouldering major expenses that would weigh heavily on the economy of any country, whatever its strength, due to the confrontation with Iraqi aggression and the liberation of Kuwait. The kingdom is still paying its obligations in this regard and is giving priority to the obligations and debts derived from these major events. Amid such circumstances, no one expected the kingdom's budget to rise in the way that has occurred this year, let alone that prices of basic goods and services should be lowered and that state support for these goods should be increased.

4. The rise in exchange rates in recent years is leading to a rise in prices. Exchange rates of the major foreign currencies, except the American dollar, have risen by amounts ranging from 9 percent to 13 percent in the last two years. Although the exchange rates of some currencies have decreased to some extent, they still remain high, especially for the Japanese yen.

Domestic prices are, as is well-known, influenced by exchange rates, especially over the long term. These rates cause fluctuations in domestic prices for goods. Thus, all factors were moving toward a price rise for goods and services in the kingdom; yet they fell, and the state issued successive decrees for a substantial reduction in prices and fees on goods and services.

Not only does this reflect the strength of our economy and confidence in its performance, it also reflects the size of the great differential the state bears and the size of the support it provides in order to lower prices of goods and commodities.

No Comparison Between Cost and Fees

Fourth, these reductions also become significant in view of the real cost of the goods and services whose prices and duties were reduced. For example:

The price of telephone service, compared to the cost of constructing, operating, and maintaining telephone installations, was less than 2 percent, even before the latest reduction. The state bears more than 98 percent of these costs.

The cost of producing and transporting a liter of water is more than dozens of times its current price, which can be considered no more than token.

The cost of a kilowatt-hour of electricity to the kingdom's electricity companies (they are joint stock companies) is more than twice the selling price to citizens. Producing a kilowatt-hour costs from 20 to 25 halalas for the company. The state bears about 6 billion riyals a year, paying the difference between the selling price of electricity to citizens and company costs, in addition to

guaranteeing the shareholders in these companies a profit rate of about 10 percent a year.

If we add to this the costs of constructing these electricity installations and plants originally, which the state does, what the citizen pays as a price for consuming electricity scarcely amounts to 1 percent of the actual cost!

The cost of a liter of gasoline (33 halalas) hardly equals the costs of refining and distributing gasoline. The cost of the gasoline and its extraction is thus free. It is similar in relation to other goods and services.

Fifth, if one adds to these price and fee reductions the figures for infrastructure achievements during the last 10 years, the size of the elements of prosperity the state has provided to citizens in all areas of life, education, progress, and utilities becomes immediately apparent.

If we realize that these achievements are used without fees, the great difference between the citizen's overall economic condition in our country and in other countries becomes evident.

In all countries, including developed ones, especially the United States, road construction requires imposing a road tax and usage fees for certain roads.

Constructing a tunnel requires fees on users, and similarly at airports, commercial zones, and so forth. In the kingdom, however, all utilities such as airports, roads, and educational, recreational, and medical institutions are used by citizens with hardly any appreciable fees.

Government school services, hospitals, health centers, recreation sites, sports and cultural installations, and dozens of other services are used without the imposition of fees or subscriptions.

No Taxes, No Revenue Stamps

Sixth, the kingdom is unique among nations in that fees for revenue stamps on government transactions are so low as to be virtually nonexistent. Addressing government agencies and completing all transactions with them is free, except for a few major services, most notably the fees for exit and entry visas and for passports. Both were included in the recent reduction decree, which reduced passport fees from 300 to 200 riyals. Final exit visa fees were abolished, thereby relieving departing people and guarantors of about 50 million riyals that the state will bear annually.

At the same time, taxes are almost nonexistent in the kingdom. Most kinds of taxes in the world have no analog in the kingdom. Taxes represent no appreciable value in the state budget. The kingdom is unique in this regard among the other major countries, which follow a policy of free markets and economic liberalism. Taxes constitute a basic source of income in their budgets.

If we add all these things together and read the significance of the recent reductions in their light, the characteristics of the decade the kingdom is experiencing will become immediately apparent to us: a decade of bright years blooming with constant and universal prosperity.

Average Annual Cost of Living Benchmarks for All Residents of Kingdom, Based on Figures for the 10 Largest Saudi Cities, 1983-90

	Average Annual Cost of Living Benchmark			Percent Change, 1983-90
	1983	1989	1990	
Overall Benchmark	100	92.6	92.4	-7.6
Food	100	96.0	97.3	-2.0
Housing, Appurtenances	100	64.7	64.1	-35.0
Cloth, Clothing	100	86.5	87.5	-12.5
Home Furniture	100	93.5	92.8	-7.2
Medical Care	100	104.3	104.9	+4.9
Transport and Transportation	100	137.9	134.9	+34.9
Education and Leisure	100	91.2	90.9	-9.1
Outlays, Other Services	100	99.6	99.4	-0.6

SUDAN

Chances for Democracy, Stability: Two Views

TNA Member Mukhtar

92AF0661A London AL-SHARQ AL-AWSAT in Arabic
9 April 92 p 5

[Interview with TNA member 'Abd-al-Rahman Mukhtar by al-Sirr Sayyid Ahmad in Riyadh, date not given: "Our

Voting System Does Not Fit Sudan's Circumstances"; first two paragraphs are AL-SHARQ AL-AWSAT introduction]

[Text] 'Abd-al-Rahman Mukhtar, a member of the Sudan's Transitional National Assembly [TNA], said that democracy in its Western form, as was practiced in Sudan, was not right for it. He called the new assembly a step on the road to inventing "a Sudanese form" of democracy. Mukhtar, a leading journalist in Sudan, spoke about the various issues with which the Sudanese scene now abounds.

He recently made an initiative to improve the Sudan's Arab relations. After receiving the green light for his initiative from Lieutenant General 'Umar al-Bashir, he met with the Arab ambassadors in Khartoum. He expected a move to take place after the 'Id al-Fitr [end of Ramadan fasting] holiday was over, but preferred not to go into the initiative at this time. The following is the text of the interview.

[Ahmad] Whom do you represent in your capacity as an appointed member in the TNA?

[Mukhtar] I suggested the answer to this question in my first assembly speech, at the opening session attended by 16 foreign delegations.

I asked, "Who are we, what do we represent, and why are we here?" I began to answer in a way that made many heads turn and begin to pity me for what I was undertaking. I said that I personally had been appointed and that it was impossible for me to claim that I represented the Sudanese people. That, however, does not mean that we cannot perform albeit a small part of the work.

The same question extends to the remote past. Those who preceded us to these benches since the first parliament, did they represent the Sudanese people? I said they had never represented the Sudanese people, because the previous parliaments were based on the Westminster principle of one-man-one-vote. This is a venerable kind of democracy. The British struggled for it with the sweat of their brows for 113 years until they obtained it, but that does mean it suits us.

When Sudan became independent in 1956, we couldn't fight our way out of a paper bag, because no political party had economic and social programs. As a journalist in contact with events, I want to say here that none of our political leaders from independence to al-Sadiq al-Mahdi was a traitor or hostile to the interests of the Sudanese people. Most of them lived with small bank accounts and houses mortgaged to creditors. Some of them, especially al-Sadiq al-Mahdi, tried to philosophize political life—give it a modern path and a green light. It was not he who failed; the system on which his government was based failed.

The governments from independence to the present have operated on a hand-to-mouth policy, without figures or statistics.

[Ahmad] Even today?

[Mukhtar] Yes, even today. Westminster democracy in Khartoum meant 2 million votes for one person from the sectarian leaderships. These 2 million votes would go down to 100,000 or 200,000 votes, depending on the leaders of the tribes. As proof that the members of parliament did not represent the people, they used to export candidates to regions with which they had no connection. In reality, they represented sectarianism in its clearest form.

[Ahmad] You mentioned that democracy took 113 years to stabilize in Britain and that it is acquired by practice. Don't you think that it hasn't had a chance in the Sudan, since a coup would take place against the nascent democracy, aborting it, and preventing its institutions from operating for a short or long time, and then it would begin anew?

[Mukhtar] There is no point in talking about its not having been given a chance, since that democracy is not ours and does not flow from our reality. However much time we give it, it won't suit us. How can the method of elections succeed in a country where illiteracy is entrenched? Why don't we start with something that flows from our reality—an assembly of "nobles" made up of the wise in the community, educated people, trade union leaders—something like the TNA?

[Ahmad] Does this assembly signify a step along the way?

[Mukhtar] Very much so. I think Numayri's attempt to create a new form was excellent. Even better was al-Azhari's attempt, when he was able to strike a blow against sectarianism for a short time, though he finally was forced to return to its bosom.

[Ahmad] What is your idea of the expression "sectarianism"?

[Mukhtar] Any section of society that unites under a religious, tribal, or racial banner I call "sectarianism."

[Ahmad] By that definition, can one call the NIF sectarian?

[Mukhtar] Very much so. Today there are people who are admirers of Dr. al-Turabi. Whatever he says decides any debate and ends any subject.

[Ahmad] If this is the reality of Sudan that produces sectarianism, who has the right to abolish this reality and launch into something new despite the people?

[Mukhtar] I think the responsibility rests on the shoulders of the educated—also the trade unions. They are the two basic modern forces. I therefore hold the transitional government of Siwar al-Dhahab and al-Jazuli Daf'allah responsible for being unable to utilize people's abilities and making them fall to military government. These modern forces able to move the grass roots can be guardians for the people. The new system needs something to impose it on the people.

[Ahmad] If that is the case, why the talk about the TNA's being a form of democracy and a step on the road to handing over power to the people?

[Mukhtar] Such talk is not necessary.

[Ahmad] How can this assembly impose its decisions on the authority that appointed it?

[Mukhtar] I think the Sudan's problems can be solved only by bringing in the Armed Forces as a partner. The government can succeed in governing the country only if it stands on firm ground. I have continued to observe the government of the National Salvation Revolution until I have become convinced that it is the best, cleanest, and purest of governments. For proof one need only look at the case of the member of the RCC, the highest authority in the country, who was removed from his post when his corruption was discovered. Investigations are under way to recover the public funds.

[Ahmad] However, there is much talk about favoritism in granting commercial licenses and about hiring and firing to please the NIF. Isn't the regime finally responsible for these things, even if it has not participated in them?

[Mukhtar] Sometimes things about which the government has no knowledge happen and are charged to the government. In any government there is a group that benefits from the government. This is natural. In point of fact there is much talk and many rumors circulating about torture and houses for whipping. It is like the story of the Numayri regime. He is supposed to have tortured and beaten three-fourths of the Sudanese people. After his fall, the Siwar al-Dhahab government asked anyone who had been tortured to come forward to a committee formed for the purpose. Only four or five people came forward.

[Ahmad] But cases of violations of human and citizen rights have been published in the overseas press and nothing has happened about them.

[Mukhtar] Sadly, only a few days ago I read in AL-SHARQ AL-AWSAT that someone complained to Lieut. Gen. 'Umar al-Bashir. I find it strange that such a subject should be raised in a newspaper like AL-SHARQ AL-AWSAT. One woman was brought back from the airport—an ordinary accident that could happen anywhere. Why is nothing said about what is happening in Somalia and Algeria?

[Ahmad] This and other letters were published on the letters page in reply to official statements that human rights are protected in the Sudan. I am asking you in your capacity as a member of the TNA, which is supposed to have as one of its concerns the problems of Sudanese individuals—problems that have priority over what is happening in Somalia and Algeria.

[Mukhtar] One must first ascertain the facts. Naturally, there are people opposed to the regime in principle and whose interest it is to stir up anything against it. It is very likely that we shall call in the assembly for the formation of a committee to investigate problems of Sudanese working abroad.

This assembly has accomplished many things in one month. Not a single member has been absent or arrived late, despite the circumstances of Ramadan. Some members are forgoing their allowances. All who have accepted the appointment and the job are earnest, capable members optimistic about their ability to do something. The level of discussion is high and marked by candor. One member described the rector of the university as being a liar who fabricates reports. We summoned the finance minister, something he had never heard of in his life, and we decided that he had no right to impose price increases without consulting the assembly.

[Ahmad] There is talk about an increase in gasoline prices. The minister made a statement at the end of Ramadan that the deficit had reached 27 billion pounds and had to be covered. He therefore defined new service tax brackets. Did he consult you?

[Mukhtar] The assembly is divided into committees. There is an economic committee, of which I am not a member. He may have consulted it. Obviously, the Sudanese people, through their meetings with al-Bashir have become convinced that there are clear reasons for these increases; that Sudan will either fall down on its stomach and become satiated or stand on its feet and pay the price. That is why the prices were increased and the people did not make a move. I think this assembly can do something if it wins people's trust and respect. It is being described as "transitional," which is an elastic word; it could last a year or two or three.

[Ahmad] The head of the assembly, Muhammad al-Amin Khalifah, said that it might last five years. Isn't it strange to talk about an assembly having all these powers that you mention, when its term is not defined?

[Mukhtar] I am not sure of its term. My view is that elections should be held quickly. The question will be how they are held. If they are held in the old way, the same faces will return to us that were tried before. I think that Numayri's parliament, which gave an opportunity to the council of neighborhoods, districts, countryside, villages, and modern forces, would have resembled the Sudan, had the opportunists not pounced on it.

[Ahmad] But this is the basic point: Numayri's regime was aborted from within because of its totalitarian nature and its closed, directed information media. Isn't this what may happen now?

[Mukhtar] I announce to you the good news that independent media will begin. Nongovernment newspapers will be published.

[Ahmad] Over two years ago, recommendations were issued by conferences to which the government was invited and whose recommendations it adopted, yet nothing has happened.

[Mukhtar] I think there is something new this time and that the assembly can play a part. I would point to what the assembly did in withdrawing the tanks that were in

the streets and strategic zones. We said their presence was causing embarrassment. The government was saying that the people were with it, so why the tanks? We finished the session at 1430 with a request for their withdrawal, and by 1800 they had been withdrawn. This all happened in the assembly's first month of life.

Former PM al-Mahdi

92AF0661B London AL-SHARQ AL-AWSAT in Arabic
4 April 92 p 4

[Article: "Al-Sadiq al-Mahdi: Sudan Today Lacks Political Freedom, Economic Justice"]

[Text] Khartoum, London—The former prime minister of Sudan, al-Sadiq al-Mahdi, cast doubt on the possible success of the government's economic program. In a homily delivered at prayers for the feast [concluding Ramadan] held at al-Khalifah Square in Omdurman before about 10,000 worshipers, he said that the program lacks the two most important conditions for success: popular and union backing domestically and foreign support. He added that a program not fulfilling these conditions was bound to fail.

Al-Mahdi said that the poverty rate had increased among Sudanese recently. He wondered whether it was possible now for Sudanese citizens to give the traditional alms for the feast concluding Ramadan.

He also indicated in his homily that Sudanese citizens lack political freedom and economic justice.

He wondered about the government, about "how some rigid Islamic voices had proclaimed an armed jihad against the great powers." He said that he approved of an intellectual jihad in this regard.

Mr. al-Mahdi added that injustice and coercion usually are countered with force, but that he personally was against the use of force.

After the service, a brochure was distributed to the worshippers carrying the signature of "the Free Officers." It reviewed the state of the nation and how a particular party was ruling the country in the name of the Armed Forces. The Free Officers promised to restore democracy after overthrowing the existing regime.

Peace, Progress Possibilities Analyzed

92AF0662D London AL-SHARQ AL-AWSAT in Arabic
6 Apr 92 p 15

[Article by al-Sirr Sayyid Ahmad: "Sudan: Developments on Horizon"]

[Text] If the preliminary reports on the possibility of convening a third round of negotiations between the Sudanese Government and the [John] Garang movement at the end of this month with Nigerian mediation are true, then this is an important development that stirs some hope that this round's fate will not only be better

than that of the two previous rounds, but will also open the door to peaceful solutions for Sudan's chronic problems.

The two sides met in two rounds of talks during the first sixth months following the military coup, but no progress was made. Since then, a lot of water has passed under the bridge. The Ethiopian regime has changed and Garang's movement has lost a main position of support. A split, led by Lam Akol and Riak Mashar, has developed in the movement and has weakened it. The biggest military campaign has been launched in the current dry season which is expected to last to the end of this month. But this campaign has scored its main success by regaining the towns of Fashala and Bor in Upper Nile State, where the faction breaking away from Garang is in control. The main body of Garang's movement in Equatoria is still united.

Peace was imminent before the coup, and it had been agreed to convene a major meeting on 4 July, i.e., four days prior to the coup. September of the same year was set as the date for the constitutional conference, which was to settle all issues at the negotiation table.

But the coup foiled all this on the grounds that such a peace would be tantamount to capitulation to the rebellion. Within two years, the regime has determined solely on its own a number of issues connected with Sudan's political, constitutional, and economic future, and has made it clear that the others have to either accept its decisions or else. Herman Cohen, the U.S. assistant secretary [of state] for African affairs, has pointed out that this is what he understood from retired Colonel Muhammad al-Amin Khalifah, a military council member, when they met in Ethiopia last July. On this basis, one wonders if the next round of talks can include something positive that would move matters toward a settlement, or if the round will be a round of public relations through which every faction tries to enhance its image in the eyes of the outside world.

Even though the second possibility seems more likely, an observer must take some indicators into account. First, there is the official theme on the part of the government—a theme expressed more loudly recently—that war cannot settle anything. This is demonstrated clearly by the statements of Maj. Gen. Muhammad 'Abdallah 'Uwaydah, the armed forces' official spokesman, and Dr. 'Ali al-Hajj, a [National] Islamic Front leader who is entrusted with contacts with the southerners. This is in contrast with the statements of Lt. Gen. 'Umar al-Bashir, who sees regaining Fashala the start of the military annihilation of Garang's movement.

There is also the economic situation that is worsening daily, as demonstrated by official figures announced by Finance Minister 'Abd-al-Rahim Hamdi. Last May, he announced that the 1990-1991 budget performance led to an unprecedented surplus of 400 million Sudanese pounds. But the new budget, which was enacted as of July, shows a deficit of 11.3 billion pounds. When the

pound was devalued last October, the deficit rose to 12 billion pounds. When steps were taken to float the pound this February, it was said that the deficit would grow even bigger, but no definite figure was given for the increase. Last week, the minister announced that the deficit has risen to 27 billion pounds. This will compel the government to borrow and to include new sectors under the tax umbrella. However, the general economic principle counteracts this policy. The more taxes grow, the lower their yield becomes. For example, cigarettes were scheduled to supply the treasury with 9 billion pounds, but in the first nine months of the year, the revenue from cigarettes didn't exceed 2.8 billion pounds because of low domestic production.

But what is more interesting in the minister's statements is his assertion that he does not expect any foreign aid because of the positions that the aid-giving countries and international institutions have taken toward Sudan. What he did not add is that the two windows through which the regime has looked out at the world, namely Iran and Libya, are engaged in a review that could paralyze their ability to extend a helping hand in the future. It seems that Libya has embarked on a final confrontation with the West because of the Lockerbie issue. Iran is in a skin-shedding phase whose most distinctive features are withdrawal and diminution of the factions that seek to export the revolution and to confront the world. Moreover, Iran is preoccupied with issues that have a greater priority, such as the position of the Soviet republics and Central Asia. Wars, whether domestic or foreign, need plans and aid. But above all, they need constant financing. The finance minister's words provide an indicator for whoever wishes to understand.

Within this context falls the regime's approval of Sudanese journalist 'Abd-al-Rahman Mukhtar's initiative to try to repair Sudan's foreign relations, especially with Egypt and the Gulf states. Even though it is difficult to assess this initiative before its details are made public, it is evident that there is an urgent need to do two things at home before moving toward external reconciliations. The first is to accomplish domestic reconciliation, because there is an evident crack in the domestic front, as indicated by the tensions embodied in the coup attempts and in the extraordinary manner in which the country has been ruled for nearly three years, not to mention the raging wars in the south that have extended to the western part of the country.

The second thing is to determine the position of the existing authority. Even though Lt. Gen. al-Bashir is considered the official head of state, reality indicates that there is another center of power, not to mention the main center of power, embodied in Dr. Hasan al-Turabi, the National Islamic Front leader. Governments prefer to know who they are dealing with in the first place.

But the mere fact that the regime has embraced the initiative provides the indicator that there is a growing feeling of isolation and of the wish to do something to

mend the situation. Perhaps this feeling goes to the heart of the matter, namely that the solution is primarily inside Sudan and among its people, and that a successful foreign policy relies ultimately on a successful domestic policy and a united domestic front.

Al-Turabi on Terrorism, Islamic Movements

92AF0638A Cairo MISR AL-FATAH in Arabic
16, 23 Mar 92

[Interview with NIF leader Dr. Hasan al-Turabi by Muhammad 'Awdah and Mahmud Bakri in Khartoum, date not given: "We Don't Train Terrorists; Our Relations With Iran Not Directed Against Anyone;" first two paragraphs MISR AL-FATAH introduction]

[16 Mar p 3]

[Text] After the National Salvation Revolution's nearly three years of power in Sudan, there are still questions about the relationship that links the government and the National Islamic Front [NIF], headed by Dr. Hasan al-Turabi. There are those who say that al-Turabi governs behind the scenes, while others go further and say that he is the actual ruler of Sudan.

In view of the controversy about this man, an interview with him was especially important. We went to his home in one of Khartoum's suburbs. Our arrival coincided with a report published in an Egyptian party newspaper stating that al-Turabi had been the target of an assassination attempt. He received us on his doorstep, laughing at that journalist's imagination. We began the interview.

[MISR AL-FATAH] Dr. Hasan, you are accused of being the primary obstacle to the development of Egyptian-Sudanese relations.

[al-Turabi] For my part, I question the legitimacy of any relationship to which I represent an obstacle. Are they economic relations, for example, or cultural? In fact, I am amazed at the statement that one Sudanese figure constitutes a danger to Egypt.

[MISR AL-FATAH] The charge is based on the premise that you are training and protecting so-called terrorists and Islamic extremists.

[al-Turabi] First, Sudan does not have the military resources to enable it to export Islam, nor the material resources to enable it to subsidize world Islamic movements. If it had material resources to establish cultural centers and mosques, it could do as the other Arab countries have done.

[MISR AL-FATAH] We are not discussing Islam. We are discussing political Islam, because Islam is one thing and political Islam is another.

[al-Turabi] We don't have a surplus of money even to subsidize ritual Islam, not to mention political Islam. We don't have an army's power by which to export political Islam in the first place. All that Sudan can be accused of

is that it is a model and an example of an Islamic state in a country that is backward and weak. Perhaps that will suggest to those who are more powerful than Sudan that they should follow Sudan's path, because those who are first in power and economic strength should copy Sudan's example. This is objectively true, because establishing an Islamic state will encourage Islamists in other countries by the force of example alone. They will be encouraged to establish a political state, because many Muslims, no matter what their wishes about establishing an Islamic state, expect an Islamic state to be established on the international level, which will only accept a specific cultural mode. This is a difficult matter that could result in disastrous consequences. However, Sudan is an example of an Islamic state, and it appears that this was done without a crisis sweeping it away. Sudan can be accused of that. If this is the case, then the charge is true.

[MISR AL-FATAH] However, what is your reaction to the charge that you are supporting terrorism and asking Iranian elements for their help with your mission?

[al-Turabi] Statements in this regard are no more than foolishness. Who could imagine the Sudanese Armed Forces, which has fought many battles with Iranian forces, asking Iranians for training assistance? Moreover, the statements about opening camps in Sudan to train terrorists are fabricated and false, in both substance and detail. Also, reports regarding this matter are contradictory, which only emphasizes their lack of credibility. The truth is that there is training going on for the Popular Defense Forces, and there are training courses for students matriculating into the universities and for employees going into service in the government. In any event, the training lasts no more than two months and does not include field weapons. These camps belong to the armed forces and contain only Sudanese.

Story of Dr. 'Umar

[MISR AL-FATAH] If that is the case, how do you explain the recent arrival of Dr. 'Umar 'Abd-al-Rahman, the mufti of the Jihad Organization in Egypt, to Sudan?

[al-Turabi] Dr. 'Umar 'Abd-al-Rahman came to Sudan as a transient for only two days, more than a year and a half ago. He went to America on an Egyptian passport, via Egypt Air. Can we compare Dr. 'Umar 'Abd-al-Rahman's two-day stay on Sudanese territory with Egypt's hosting of hundreds of southerners, Communists, and partisan elements, who own newspapers in Egypt or obtain pages in the Egyptian press? They hold conferences, and whom do they criticize? I think that we must come to terms. I would prefer, if Sudanese opposition elements leave their country, that they not seek asylum in the West. On the contrary, it is better for a neighboring Muslim country to shelter them. It would be better for you as well, if your opposition elements were in a neighboring Muslim country. If only 'Umar 'Abd-al-Rahman lived in Sudan and not in America, because then Egypt and Sudan could talk frankly with each other. Egypt could open its doors to any opponent who doesn't

want to live in Sudan, and Sudan could welcome any opposition element who doesn't want to reside in Egypt.

What is this twisted logic that permits Egypt to take in Sudanese opposition elements, but does not allow Sudan to receive an opposition leader who has deviated from the official line, but who has not fled the country, who carries an Egyptian passport, and is going to America. Sudan believed that he was permitted to travel via Egyptian airlines. This kind of statement stirs up the Sudanese people. They talk about the superiority complex and double standard in dealings between our two countries. Egypt does not want Sudan to take a position on the Gulf issue that is independent of its position. Egypt does not want Sudan to do a tenth of what it does. These words always stir up national conflict between brothers, neighbors, and Muslims.

[MISR AL-FATAH] In this regard, how do you evaluate relations with Egypt?

[al-Turabi] It is meaningless to report positions about relations between Sudan and Egypt, because those relations have always been emphasized on the level of positions. We need to try to explain the crises that suddenly occur in those relations. The persistence of crises is the proof that these relations will never be broken. I always used to think that the best remedy for relations, to keep them honest, was to get rid of whatever was directly between the two peoples, so that they may have equal relations and treaties. Through millions of relationships of neighbors, marriages, and business dealings, a solid foundation could be built for this relationship, which no elements could damage.

[MISR AL-FATAH] But what is your explanation for this continual state of crisis in the two countries' relations?

[al-Turabi] Here in Sudan, there is nothing new to explain to us the crisis that we perceive when we read some of the Egyptian press, and when we hear certain Egyptian statements. In Sudan, there is no movement opposed to Egypt, to the security of Egypt, or to the security of the Sudanese. There is not one voice, nor any danger that the people of Sudan would damage Egyptian interests. Some quarters in Egypt think that the interests are in the Nile waters. Do the Sudanese not have reservations and review their positions on Nile waters or on development projects to increase the Nile waters? Therefore, we are not about to state the causes of the crisis. It is true that Sudan's international positions on other issues do not always go along with our bilateral relations. At times they coincide with Egyptian positions or are contrary to Egyptian positions, but this should not irritate certain quarters in Egypt.

[MISR AL-FATAH] At this point, we are forced to ask about relations with Iran, which represent one of the critical elements in relations with Egypt.

[al-Turabi] When Iranian President Hashemi Rafsanjani visited Sudan, violent reactions occurred in Egypt.

despite the fact that Sudanese relations with Iran are within the framework of Iran liberalizing its relations with many Arab countries. In addition, Sudan knows that Egypt has firm relations with Israel and America—Israel who supports the rebellion in the south against the unity of Sudan. However, despite that, we don't blame Egypt for its relations with Israel. Why are relations with Israel okay, but relations with a Muslim country like Iran forbidden? We can't understand why certain quarters in Egypt are irritated. We truly don't understand what is going on with these relations.

Overcoming the Crisis

[MISR AL-FATAH] How do you see the continuing crisis in our relations being overcome?

[al-Turabi] First, Egyptian politicians are silent about constant affronts to Sudan. If a journalist damages relations, that can be accepted, because another journalist can react to that. But if a politician causes injury, that hits at the soul of every Sudanese, because it is considered Egypt's official position. Political statements issued by Egypt have undermined the friendship between Egypt and Sudan more than anything before.

[MISR AL-FATAH] An example?

[al-Turabi] The Egyptian press, which is subordinate to the government, writes that we are a security group. A call is issued in these government newspapers to mobilize and prepare the battle lines against Sudan. This is the most dangerous thing that can be done between two countries.

[MISR AL-FATAH] But you exaggerate. One article in any paper cannot create this tension in relations.

[al-Turabi] But it is a newspaper belonging to the Egyptian security apparatus.

[MISR AL-FATAH] Egyptian security does not publish newspapers. You don't have an accurate picture of Egyptian reality. Isn't it unreasonable for you to react to an article in this fashion?

[al-Turabi] Egypt is the one that says that officially. You tell us that you blame us for what is written in the official press. As for what is written in other newspapers, we are not responsible for that. We are now talking about things written in the official press, for which the authorities in Egypt are responsible. They called for invasion. I know that Egyptian law would not allow something bad to be written about a head of state, even in the private press, or allow a call for invasion, because that is a violation of Egyptian law and the constitution. This is press editorial policy for official newspapers only.

[MISR AL-FATAH] Why are you making an issue over this question? Was there a reaction to this article in Egypt and Sudan?

[al-Turabi] The reaction to it was in private newspapers, but it was written in the official press. We [have not]

blamed the Egyptian people for that. The relationship between the Egyptian and Sudanese people remains a special one that nothing can affect.

Halayib Crisis

[MISR AL-FATAH] But clearly, there is sensitivity on your part.

[al-Turabi] Relations have been affected mostly on the political level. This is what the real crisis represents. Take the Halayib issue, for example.

[MISR AL-FATAH] What originally brought on the Halayib issue, and why did it suddenly emerge?

[al-Turabi] The Halayib issue emerged in the Egyptian press; the Sudanese press did not raise it first. It did not write a single line in response to what was written. The only response published was in the form of comments by Sudanese officials who recently visited Egypt, and their comments were published in Egypt. If Egypt wanted to revive this issue for the purpose of settling it, then first it should be dealt with by diplomatic means with Sudan. Either the two parties should agree on the idea of transferring this territory to Egypt or to Sudan, or on seeking a legal decision, or on international arbitration.

[MISR AL-FATAH] Why wasn't this problem discussed with Egypt first, before you gave a Canadian firm exploration rights in Halayib?

[al-Turabi] This was not the first time. Sudan has taken this right several times before. Today, Egypt is, in fact, exploring there. Sudan could have raised the same crisis and the same objection, but Sudan is a vast country. However, the political provocation with regard to a border issue stirs up the spirit of national, regional conflict. This provocation was issued by specific political quarters.

[MISR AL-FATAH] It is said that you are hostile to relations with Egypt.

[al-Turabi] I can assure you, and I only represent myself, that I am eager for strong relations with Egypt. I have always expressed my affection and esteem for the Egyptian people. I think that relations with Egypt today are a realistic necessity. I always see them as a religious and cultural necessity, but I recognize that the area which might harm Egyptian-Sudanese relations was, and will continue to be, the political arena. Statements and measures on the political level can be expected between Egypt and Sudan. This is the gap which must be watched or closed. I have always called for that gap to be surmounted via the two peoples. If there could be unity between the two peoples, nothing could harm them after that. This animosity would become as it is among the people in Egypt, between Upper Egyptians and northerners [al-Baharwah], or in Sudan, between the northern people [ahl al-bahri] and outlying rural people [ahl al-'izab]. This happens in any country without harming social unity.

Relations with Government

[MISR AL-FATAH] What are the parameters of the relationship between the National Islamic Front, which you head, and the present government in Sudan?

[al-Turabi] The NIF, is only one of the forms of Islam in Sudan, which has taken various names and different forms at various times, and which has always been renewed. The NIF was founded at a specific historical moment, to serve the goals of Islamic political action at that time. Nothing much is left of the NIF now. The NIF will by no means appear in the future history of Sudan.

[MISR AL-FATAH] But that does not refute the fact that there is considerable evidence clearly indicating that you are the actual guiding force of the National Salvation Revolution in Sudan.

[al-Turabi] That cannot possibly be true. I was not even a leader of the Islamic movement in Sudan when it was a *da'wah* [missionary call or appeal] and had not become a state. We, the founders of the Islamic movement, did not recognize any shaykh [as our leader]. Educated segments, all of them of one age and close followers of one culture, comprised this Islamic movement. It was not formed in the centrality of a specific organization. On the contrary, there were very many sources of support, some of whom work in social welfare and charity, others on the cultural side. I was in the intellectual, political wing. The Islamic movement in Sudan, even when it was a *da'wah*, could not answer to one shaykh, or to one leader. With regard to the political expansion that occurred in Sudan, the credit for that goes to the Sudanese. The issue was applying Islamic shari'ah, which was endorsed by Numayri and the Sudanese political parties. The truth is that the NIF called for that as a methodology more than as a special emphasis. However, it was a movement that all the Sudanese people endorsed. Now, members of the Transitional National Assembly are participating in building this concept. Those in the assembly who belong to the NIF are a very limited segment, but you will find that the entire assembly is unanimous over the issue of the Islamic direction. The Sudanese people's Islamic direction is a necessity, especially since they are being challenged vis-a-vis their Arab and Islamic identity. Therefore, this identity must be emphatically confirmed.

The Sudanese insistence is on confirming Arabism and Islam, because we are simultaneously being subjected to the annihilation of the Arab and Islamic legacy. This could happen in Sudan, if the people of Sudan fail to guard their identity. Sudan's masses themselves are the ones to defend their identity. As for the ministers who might belong to the NIF, they are few, as are the members of the Transitional National Assembly. No more than 14 members belong to the NIF.

Differences, Not Dissimilarity

[MISR AL-FATAH] What is the distinction between the Islamic movement in Sudan and the Islamic movement in Egypt or Algeria?

[al-Turabi] Differences do not necessarily mean dissimilarity in Islamic fundamentals [usul].

[MISR AL-FATAH] We are not talking about doctrine.

[al-Turabi] All movements try to apply the same Islamic values to a situation, but the situation is different in Egypt, in Sudan, and in Algeria. Therefore, the matter requires respecting that reality. Each society has its challenges and, consequently, it is necessary to consider these challenges as appropriate. The Islamic movement in Egypt, for example, began as a popular movement and ended up as a somewhat beleaguered movement. The Islamic movement in Algeria began as a widespread popular eruption. It is young, no more than a few years old. Its Islamic thinking has not crystallized, nor have its ranks become organized like the orderly ranks of long-standing movements.

With regard to the Islamic movement in Sudan, it interacts with Sudanese reality. Sudanese reality was a society that knew only a little about the Islamic state, whereas Egypt has known about the Islamic state and the official Islamic system for a very long time. Sudanese society was only slightly enveloped by the European blanket, while Egypt was subjected to Napoleon's campaign and then the English. Western influences were firmly established there, in ways that challenged Islam in particular. Sudan is a country with African neighbors. Its national South has other non-Islamic and non-Arab cultures. Any Islamic movement established in Sudan must talk about this reality in a special way that an Islamic movement in Egypt has no need of, except to deal with the issue of the sociology of relations between Copts and Muslims. This is a limited issue, in terms of the problems we deal with.

[MISR AL-FATAH] Some believe the Islamic movement in Egypt is anti-Coptic, and that it deals with them as crusaders. Do you concur with that?

[al-Turabi] I cannot figure out how they can talk about the Copts when they are discussing crusaders. I cannot judge the situation in Egypt, because I don't know it very well. However, we in Sudan do not take any religious issue to make it into a primarily social conflict, despite the presence of non-Muslim sects in Sudan. This does not cause us to be uneasy.

I would like to add to my prior statement about the Islamic movement in both Egypt and Sudan. Sudan is a country where there is no dominant state system, no matter that political systems are different in Sudan. Sudan has not been known as a centralized state; the extent of freedom in Sudan is vast. Therefore, the Islamic movement in Sudan was founded without having been established in opposition to political persecution. That allowed it to grow in freedom and in a climate of civility, where it could express itself civilly and progressively.

[23 Mar p 5]

[Text] [MISR AL-FATAH] The Islamic Salvation Front [FIS] in Algeria has been the target of a harsh campaign since the start of legislative elections there. How do you view the course of events that occurred in Algeria in recent months?

[al-Turabi] The Algerian incidents are not far removed from the developments that have occurred in many Islamic countries. In what other country, where the political system, in its freedom and popularity, was headed toward reaffirming and returning to Islam, has used the armed forces to stop this development? That happened in Sudan, in the Middle East, and in West Asian Islamic countries whose cultures—in certain situations, institutions, and social segments—were able to use armed forces to suppress the Muslim popular will. If the educated segment cannot drive the Islamic movement emanating from the people, they will use armed force. That has happened in many Islamic countries, of which Algeria is the latest. However, their use in Algeria was seen and heard by the whole world. After they became involved in the infamous elections, they thought they had prepared for them by arresting and detaining the FIS leaders. Then the games turned to the country districts, in addition to the media. All French and Algerian media stations, and all the Algerian press, attacked the FIS. Even the European Community offered a collective bribe to Algeria of hundreds of millions if the FIS was not elected, i.e., use any incitement or intimidation possible. However, their deed was thwarted, and the FIS swept the elections in the first round. It was certain that the FIS would gain more than that in the second round. They used the armed forces to stop that development.

That was the first exposure we had to the Western double standard. Democracy is an absolute value to them, but it is a relative value that is commingled with their special interests and aspirations. If democracy is born of something that does not conform to their aspirations, they abort it at once. I should add that the misgivings that many Muslims held were confirmed—that this radical change in the system of life might not come during this election process, which was subjected to Western influences. The conviction was also deepened that society must be radically altered. After that, democracy could be established after the society determined its direction—Islamic or non-Islamic. With regard to determining this radical or fundamental choice, Western democracy, in its various forms, might not suit that society, because democracy is not only the rule of the people, but also the rule of people along with all the cultural changes and Western heritage connected with this political concept. The political concept is not merely a neutral concept, as many suggest. However, history confirms that Islamic expansion continues to advance, and that all attempts to block it might cause a delay, but in the end, it continues onward. Sometimes it feeds on the obstacles placed in its path, is strengthened by them, and goes on its way nonetheless.

[MISR AL-FATAH] Do you believe that the events in Algeria were merely a conflict between two forces, the army and the FIS? The army wanted to maintain its privileges because it has been the power and has controlled everything since independence. The National Liberation Front is only the political office attached to the army. On the other hand, the FIS was attempting to abolish these prerogatives, which was what drove the army to intervene to maintain its prerogatives and monopoly on power. Clearly, the FIS has been unable to penetrate the Algerian Army.

[al-Turabi] Even if armies rule, there is no provision that the army has the power. On the contrary, a limited segment of officers hold that power. If the army in Algeria had been consulted, the result would have been the same as the people's opinion, because the army is a part of this people. However, the voices raised in Algeria against Islam's advancement were not confined to the army alone. On the contrary, there were other political parties that, when they lost in the elections, clearly declared their support for striking a blow against the democratic process. They demanded that the elections be stopped. Those infamous parties in Algeria demanded this, and behind them stood the French press. They pushed the army toward intervention. Moreover, there are two countries near Algeria that were considerably apprehensive about the FIS victory, because they were experiencing a state of tension between Islam and their ruling regimes. Moreover, Mohammed Boudiaf himself was not from the army, but was living in another country, which means he must have another purpose. I don't think that this affair is limited to group prerogatives. Now, the army in Sudan could be accused of wanting to establish a fundamentalist state. It would not hurt the Algerian Army to continue as ruler. It could rule in Islam, for example, provided that it suspended only the advisory council in Islam, for example, but implemented the rest of the Islamic precepts. The spirit that envelops the army in Sudan has equally enveloped all the modern sector. All the elements have become Islamized. [In Algeria] the officers were only one segment of the educated when they intervened. They intervened as any other educated group might have intervened.

Perhaps the FIS did penetrate the army, but in the same classes that it penetrated society. Senior army officers had been members of the French Army. Many of them joined the revolution towards the end. They still are influenced by French secularism, which is a political creed strongly rooted in France. France, naturally, is very disturbed by phenomena that threaten its systems, even if it is the *hejab* [hair covering] of young school girls in France. It could not accept a development in Algeria that would only end with Algeria being an Islamic state with an Islamic army.

Democracy in Sudan

[MISR AL-FATAH] Let us turn to the experiment of the Transitional National Assembly, recently announced in Sudan. What about the scope of this experiment and its reality?

[al-Turabi] The Transitional National Assembly is not a part of the democratic experiment as much as it is an indication of it, because it is the beginning of the base and support for the political pyramid on the local government level. The electorate will assemble in a conference without blocs or partisanship, and without coercion or restriction from the highest quarter. They will elect their representatives and produce their policies. Thus, the construction will grow until it reaches the central structure of the state. Because the structure will require developing a system of holding conferences until it reaches completion, it was decided to fill this gap, while completing the construction, with a special assembly that will exercise full parliamentary powers. After being appointed, assembly members will enjoy complete immunity from dismissal or discharge. They will have more powers than the usual parliaments in Sudan, so that they can come up with a new program, unlike those programs that have damaged political life in Sudan. The members have been chosen so as to represent all political orientations; all social modes; all regional entities; and all professions and intellectual, professional, and union leaders in Sudan.

[MISR AL-FATAH] But how can the experiment absorb all political forces from Communists to the Ummah Party, the Democratic Unionist Party, and other such forces?

[al-Turabi] Since the revolution began its course, it has resorted to conferences as a means of ensuring the legitimacy of political decision-making. It did not want to leave all decisions to the Revolutionary Command Council. The revolution has always held a conference on the issue of the South, another for the economy, a third for the media issue, and other issues for which the people called. All their representation is taken into account, without noting that one represents a certain union, a specific class, a specific party, or a certain tribe. However, it summons them all to come, by virtue of being the general citizenry, not by virtue of special partisan alignment. These conferences succeeded because they always led to consensus, i.e., to harmonious views in which the people are not in conflict between majority and minority, and dialogue is not agitated, nor turns into a crisis. Now, the revolution has benefitted from this experience, which has taken shape in this provisional assembly. The Revolutionary Command Council has delegated full legislative authority to the assembly, as well as power to monitor the executive branch, just the same as the Revolutionary Command Council does.

On the other hand, the revolution has taken this prior experience and has built upon it the democratic, advisory people's structure on the local government level. Next year, or in the latter part of this year, it will reach the state level, which will be completed the following year, God willing.

[MISR AL-FATAH] Can it be said that coexistence has possibly been achieved between so-called Islamists and so-called secularists?

[al-Turabi] Yes, because we all agree on the need to base our lives on Islam. We have overcome partisan disputes; something of a national accord and consensus has occurred in Sudan. This is the true guarantee of democracy.

In the West, democracy is only possible when some kind of consensus on general direction is formed. Then the disparities between schools of thought become relative. For example, there are differences among European parties, including those who are inclined toward a wider place for religion, and the radicals who want to restrict the Christian religion. However, democracy could not operate in a society where a dispute exists over the fundamentals of its life, and where each side goes off in a contradictory direction from the other. Today, after several rounds of military, partisan, and transitory vicissitudes, the Sudanese have come to an agreement on many matters. They have agreed to deal with the region through a federation. They have agreed to apply the Islamic shari'ah and on the method of applying it. They have agreed on the path of relations with their neighbors, which is to pursue integration and open borders.

All of these are political principles that the people of Sudan did not have. On the contrary, there were great differences among them, between nationalism and closed regionalism—which couldn't cooperate with a neighbor, even if it was Arab and Muslim; between African and Arab; between socialism and capitalism—which wanted to belong to the West; and between secularism—which was almost inclined toward apostasy—and the religions expressed by traditional sects.

Finally, this disorder and tumult is no longer an obstacle, thank God. Now there is a kind of consensus and, in light of this consensus, freedom can be relaxed without leading to anarchy. However, our experience has always been that when freedom is available, everyone grabs for it, the country is torn to pieces, and the system collapses. This is a profound development for Sudan.

[MISR AL-FATAH] For the first time, a Sudanese regime has turned to the Islamic shari'ah, but without applying shari'ah in the southern region, in accordance with the federal system that has been agreed upon. What are the principles upon which you based this move?

You decided to exempt the South from shari'ah. By what logic did you reach this conclusion?

[al-Turabi] We rely on the text of the Holy Koran. God ordered the Prophet to govern the people justly. The al-Ma'idah surah [verse] says: 'If they come to thee. Either judge between them or decline to interfere.' [Koran 5:42] This surah allows the Prophet either to turn away and keep the Islamic judgment from them, or make judgments among them. If he judges among them, he must judge fairly. For centuries, Muslims have continued to make their courts and special schools available to certain colonies of foreigners. In Medina, the Prophet

always allowed the Jews to have their special laws, but if they stood before him, he judged them by the truth as revealed to him.

Of course, shari'ah gives certain rights to non-Muslims, such as the right to worship without interference, and the right to teach religion and family laws to children. Shari'ah gives these rights in complete immunity to non-Muslims. However, giving them a certain degree of decentralization in managing their affairs requires being exempted from certain provisions of the law. This is conditional on their being secluded in a specific region and in the majority there. This occurred in the Prophet's time, when the Jews of Bani [Qurayta] were living in one of the suburbs of Medina. They had certain rights in managing their private affairs. This legal principle was being developed and applied, but if a commingling with Muslims occurred, it was difficult to pursue a suspect and ask him about his religion, because he could change his religion so that he could choose a punishment that suited him. This is the method that Sudan has chosen to apply shari'ah. If other Islamic countries had applied the shari'ah, many other experiences would have been available, in terms of dealing with non-Muslims, and we could have compared and looked at the most appropriate equation here and there. However, only Sudan is undertaking this experiment.

[MISR AL-FATAH] However, some Islamic authorities might interpret your deference to political standards in this regard as representing a violation of shari'ah's precepts.

[al-Turabi] If there is a political necessity that requires it, no doubt the political need is a religious consideration. The Prophet abandoned many matters because the people were unwilling to accept them. The Prophet thought that organizing the entry and exit from the Ka'bah should be through opening another door in the Ka'bah, but, because the people worshipped the stones at the beginning of the Islamic *da'wah*, he saw that breaking through the Ka'bah structure would upset them. He abandoned that idea; the political consideration was not an isolated assessment.

[MISR AL-FATAH] What about the affects and repercussions of this initiative with the southerners, the real authors of the problem?

[al-Turabi] We are confident that if peace returns to the South, it won't be long until southerners are demonstrating, requesting that God's law be applied there. In fact, there are some provinces that have declared their protest. They say that the option to apply the shari'ah was left to all of the region as a whole, but each province should have the option, because these provinces have been insistent on submitting to shari'ah.

Iraqi Interior Ministry Delegation Arrives

92AF0660F Khartoum SUNA in English 14 Mar 92 p 4

[Text] Khartoum, Mar. 14 (SUNA)—Deputy Chairman of the Revolution Command Council (RCC), Maj. Gen.

El Zubair Mohamed Salih Saturday met a delegation of the Iraqi training department of Interior Ministry who arrived here on Friday on a several day visit to the country.

The encounter discussed the cooperation between Sudan and Iraq in the field of training.

Deputy Police Chief, Maj. Gen. (Pol.) Fakhr Eddin Abd El Sadiq in a statement to SUNA, said that the Iraqi delegation's visit to Sudan comes in the framework of mutual cooperation between the two countries for implementation of the concluded training programmes.

He added that the Iraqi delegation has further met with the Police Chief and Director of the Training Department and got acquainted with its activities and programmes.

Sudan and Iraq have a joint training programme, and some qualification sessions were held previously Maj. Gen. Abdel Sadqi said.

Foreign Minister Meets Iranian Ambassador

92AF0621X Khartoum AL-INQADH AL-WATANI in Arabic 4 Mar 92 p 1

[Text] Foreign Minister 'Ali Ahmad Sahlul received in his office this morning His Excellency Majid Kamal, ambassador of the Islamic Republic of Iran. Present at the meeting was Ambassador Ibrahim Muhammad 'Ali, secretary general of the technical committee preparing for the Conference of Foreign Ministers of Islamic States.

During the meeting, progress in bilateral relations between the two countries in the political, economic, and technical fields was reviewed. Developments in the region were also discussed.

The two sides also discussed the arrangements being made to hold the Conference of Foreign Ministers of Islamic States in Khartoum this year.

More Clashes With Rebels in Equatoria

92AF0662C London AL-HAYAH in Arabic 8 Apr 92 pp 1, 4

[Article by Mu'awiyah Yasin and 'Umar Muhammad al-Hasan: "Fierce Fighting in Equatoria; Garang Evacuates Kobweita"]

[Text] Khartoum—Sudanese military sources have said that fierce fighting is currently in progress in the State of Equatoria, and that it has forced the anti-government SPLA [Sudanese People's Liberation Army] forces to evacuate their positions in the town of Kapoeta, which is used by Colonel John Garang as the capital of the territories he controls in southern Sudan.

AL-HAYAH has obtained details of the battles which led to declaring the town of Bor a liberated town last week. The official army spokesman has announced that in

regaining control over Bor, 10 government soldiers were killed, 40 were wounded, and an undetermined number of equipment and vehicles, as well as military supplies, were destroyed.

Maj. Gen. Muhammad 'Abdallah 'Uwaydah, the Sudanese Army official spokesman, has said that the government forces waged a fierce six-hour battle in the town of Kongor in the State of Equatoria, and that this battle enabled them to liberate Bor. He has told AL-HAYAH that the SPLA amassed 2,400 fighters to repel the regular army's assault on Kongor.

Maj. Gen. 'Uwaydah noted that the government forces' losses were 10 troops killed and 30-40 troops wounded. He said that the battle to liberate Bor resulted in the destruction of some military equipment and vehicles and a quantity of food and military supplies that the forces were carrying with them, but he attributed these losses to land mines.

Maj. Gen. 'Uwaydah characterized the war, which has been going on in the southern part of the country since 1982, as a "guerrilla warfare and a war of mines." He added that another battle took place at the outskirts of Bor, but that it did not last long. He revealed that a number of members of the Dinka tribe, the largest tribe in southern Sudan and the one to which Colonel Garang belongs, aided the government forces by guiding and directing them during the campaign to regain Bor and Kongor.

Sudanese military sources have told AL-HAYAH that the Sudanese Air Force uses its C-130 Hercules aircraft to drop bombs from high altitudes on the towns of Kapoeta and Torit, which Garang uses as headquarters for his forces. However, Maj. Gen. 'Uwaydah has told AL-HAYAH that the army uses Antonov bombers, employing its Hercules aircraft for military transportation only.

The general added that the SPLA continues to control the areas of Yirol, southern Rumbek, Tumbuku, and northern Gogrial in the State of Bahr al-Ghazal and the areas of Pibor and (Poma) in Upper Nile and Equatoria, excluding Juba and Yei.

It is believed that the SPLA possesses 120-mm and 82-mm mortar guns, Soviet-made SA-7 missiles, launchers, Kalashnikov and G-3 rifles, and sophisticated mines. Unconfirmed reports say that Libyan military aircraft supported the Sudanese Army offensive in the south. Maj. Gen. 'Uwaydah has said that the regular army has been waging this war for more than 25 years, and it has never been proven throughout this period that it has enlisted the help of foreign armies.

Relatives of Executed Officers Demonstrate

92AF0662B London AL-HAYAH in Arabic
2 Apr 92 pp 1, 4

[Article: "Arrest of Women Members of Families of Officers Executed Two Years Ago"]

[Excerpt] London, AL-HAYAH—Sudanese opposition sources said in London yesterday that families of officers, who were executed by the government of Lt. Gen. 'Umar al-Bashir in April 1990 after being convicted of plotting a coup attempt, staged a demonstration in front of the Sudanese State Presidential Office and that Sudanese security forces arrested some of the women who participated in the demonstration.

'Abd-al-'Azim Hasan Karrar, spokesman for the officers' families, told AL-HAYAH that nearly 200 women from the families of these officers took part in the demonstration, laid a wreath in front of the Presidential Palace in Khartoum, and demanded a retrial of the executed officers.

Karrar added that the security forces, who were surprised by the demonstration, pursued the demonstrators and arrested a number of them, including Nadiyah, Layla, and 'Afaf, the sisters of Lt. Col. 'Abd-al-Mun'im Karrar who was executed for the coup attempt, as well as his wife and Sariyah, his daughter; the mother of Air Force Captain Mustafa 'Awad Khawjali and his sister Majidah; the sister of Col. 'Ismat Mirghani and the sister of Lt. Col. Muhammad 'Abd-al-'Aziz.

The Sudanese authorities sentenced 28 officers who had taken part in the coup attempt to death by a firing squad. At the time, the authorities accused the Socialist Arab Ba'th Party of plotting the coup attempt. [passage omitted]

Opposition Property Targeted for Confiscation

92AF0622A London AL-SHARQ AL-AWSAT in Arabic
10 Apr 92 p 1

[Article by Muhammad al-Hasan Ahmad: "16 Khartoum University Professors Dismissed; 170 Sudanese Citizens' Property Confiscated, Expatriate Workers' Passports Withdrawn"]

[Text] London—Faruq Abu-'Isa, secretary general of the General Arab Lawyers' Federation and secretary of the Sudanese Human Rights Organization, has said that the Sudanese Government has drawn up a new list of 170 Sudanese figures whose property and money is to be confiscated because they are opposition figures. The government has already confiscated the property of members of al-Mirghani family.

Informed sources in Sudan have told AL-SHARQ AL-AWSAT that the government has begun to take steps to confiscate the property of Dr. Amin Makki Madani, the minister of public works in the government of the uprising and chairman of the Sudanese Human Rights Organization; Lt. Gen. Fathi Ahmad 'Ali, former general commander of the army; Lt. Gen. 'Abd-al-Rahman Sa'id, former army chief of staff; Brig. Gen. al-Hadi al-Bashri, former chief of the security agency; Muhammad Hasan 'Abdallah Yasin, former member of

the Ruling Council; Faruq Abu-'Isa, and Dr. 'Izz-al-Din 'Ali 'Amir, the former parliamentary deputy for the Communist Party.

In Cairo, Faruq Abu-'Isa has told AL-SHARQ AL-AWSAT that the Sudanese Human Rights Organization, the Arab Human Rights Organization, and the Arab Lawyers' Federation have been in constant meetings yesterday and today to adopt resolutions and recommendations to confront the confiscation of property and money. He added that the government has withdrawn the passports of a number of Sudanese expatriate workers employed in the Gulf states, thus exposing them to penalty under the law of these states.

In a related development, reports received from Khartoum indicate that 16 Khartoum University professors have been dismissed on the pretext of refusing to correct the answer sheets for the latest examinations that were held in several places outside the university because of the unrest and the tension between the university administration and the Khartoum University Student Union.

Consulate To Open in Aswan After Eid

92AF0660E Khartoum SUNA in English 11 Mar 92 p 2

[Text] Cairo, Mar. 11 (SUNA)—A Sudanese consulate will be opened in Aswan, southern Egypt, after Eid Al Fitr (the feast) next month, said the Sudan Ambassador to Cairo Hamid 'Izz-al-Din.

Preparations have been completed for opening the consulate which the Ambassador has described as very important in view of the services it is envisaged to render to the Sudanese nationals in Aswan and neighbouring Egyptian provinces in addition to overseeing matters of interest to the Sudan like the camel, border trade and river navigation between Aswan and Wadi Halfa (Sudan). It will also serve as an information centre for Sudan in that part of Egypt Hamid said.

He recently paid a visit to Aswan and met its Commissioner who welcomed the idea and pledged every possible assistance and care to the consulate.

The ambassador also met the Sudanese nationals at the Sudanese Club and briefed them on conditions in Sudan and the accomplishments the Salvation Revolution scores every day.

Shari'ah Bank Oversight Body To Be Formed

92AF0621B Khartoum AL-INQADH AL-WATANI in Arabic 4 Mar 92 p 1

[Article by 'Awatif Mahjub]

[Text] It has been decided to form a Higher Authority for Shari'ah [Islamic law] Oversight of the banking system and the financial establishments within The Bank of Sudan. The authority will monitor and set up the extent to which The Bank of Sudan and the banks and financial establishments engaged in banking activities

comply with shari'ah provisions, and will purify the banking system of usury in financial and economic transactions within the framework of the provisions of shari'ah.

Minister of Finance 'Abd-al-Rahim Hamdi issued a ministerial decree yesterday establishing the authority. It has been given the jurisdictions of revising the laws, regulations, and directives governing the work of The Bank of Sudan and the banks and financial establishments engaged in banking business, in order to remove from these laws anything that is contrary to the provisions of shari'ah. It will do so in coordination with other quarters.

The authority, with the participation of officials from The Bank of Sudan, will draft model contracts and agreements for all the banking and financial establishments in order to ensure that they are free of things banned under shari'ah.

The authority will prepare research and studies that would lead to enhancing compliance with the Islamic trend in the economy. It is to submit a report to the finance minister about the sound application of shari'ah in banking transactions and in establishments engaged in banking business. It will also draw up a program for training banks' and financial establishments' staff in order to absorb Islamic formulas and understand the jurisprudence [fiqh] and Islamic legality of transactions.

AL-INQADH AL-WATANI has learned that the legal amendments the committee has drawn up have been passed to the attorney general to make the necessary amendments to them.

This decision was issued in response to the recommendations of the Banking Laws Review Committee in order to remove what may lead to usurious transactions. The committee revised the laws of the Sudanese banks of agriculture, industry, and real estate as well as the company laws, in addition to the 1989 law organizing banking activity, amendment of the law of the sale of mortgaged properties, the founding contract for The Bank of Khartoum and its regulations, the latter being a model to be followed by the commercial banks.

The Higher Committee for Shari'ah Oversight consists of professor al-Siddiq Muhammad al-Amin al-Darir as chairman; Ahmad 'Abdallah as member and secretary general; and six other members.

Preparatory Work Begins on Trade Unions

92AF0621Y Khartoum AL-INQADH AL-WATANI in Arabic 4 Mar 92 p 1

[Article by 'Awad al-Tum]

[Text] The Public Registrar's Office for Labor Organizations has begun work on forming the preparatory committees for labor organizations and unions.

Ahmad 'Abd-al-Muttalib, Public Registrar of Labor Organizations told AL-INQADH AL-WATANI that a preparatory committee has been set up for the General Union of Sudanese Farmers and the Union of Employers. The various committees will lay down the basic laws of the organization and its mandate, and will complete the rest of the procedures with the Public Registrar.

He said that these procedures will be completed within two months and that new elections for a full term will be held after four months. He said that elections for the new central committee will be held next January, according to the decision by the Conference on Strategy.

He said all necessary regulations for implementing the laws concerning organizations, which includes 26 labor unions, 15 professional union organizations, and three employers' unions have been issued. These include general chamber unions, farmers organizations, and shepherds. He said the new law is progressive. Union membership is the right of the worker, and not the committee. It is a free and democratic union. The worker has been given the right to establish funds for social insurance and services. The law protects the worker against black-listing, dismissal on grounds being unionized and mass transfers. This is an advantage for the performance of labor union work. The law also provides that workers should be represented in the relevant administrative fields.

On the other hand, al-Sadiq 'Ata al-Mannan, secretary general of the preparatory committee, told AL-INQADH AL-WATANI that the preparatory formations of the general labor unions will be announced this week. These, in collaboration with the unions, will supervise the formation process in accordance with the new union law and union classification and structure.

He said that idea of the bodies is based on an adequate study carried out in consultation and collaboration with the coordination committee and the former preparatory committees. He said the new bodies will seek to implement the union dialogue program that has been announced, and prepare for union elections in the next few months. He said the general secretariats of the higher councils of unions in the provinces have been charged with overseeing labor union work.

Urgent Fund Opened for Halaib Province

92AF0660H Khartoum SUNA in English 1 Mar 92 p 13

[Text] Halaib, March 1, (SUNA)—Eastern State's Wali, Col. El-Awad Mohamed El-Hassan confirmed that the Sudan is keen to boost relations with Egypt and that it has no intention to raise dispute problems of the borders.

Addressing a mass rally at Halaib Sunday, within the context of his current visit to the province, El Hassan reiterated that the Sudan called for peace and good relations with all the neighbourly countries.

The Wali said that the State's government is embarked in programmes to implement development in Halaib Province. A sum of L.S [pounds] 20 million as a first stage is allotted to achieve the programme, he added.

Col. El Hassan further donated an urgent fund of LS.7 million for the province, one million to upgrade Halaib health centre to be a hospital and one million for the town's mosque and the same for the schools boarding houses of the area.

Halaib Citizens Loyal to Sudan

92AF0660G Khartoum SUNA in English 3 Mar 92 p 10

[Text] Port Sudan, March 3, (SUNA)—Wali of the Eastern State Col. Al-Awad Mohamad El Hassan has hailed the sincere loyalty of Halaib Province's citizens to the Sudan and their support to the National Salvation Revolution.

Col. El Hassan, following an inspection visit to Halaib Province, also praised the great role being played by the Nation's Youth Organization, the Sudanese Women's Union and the People's Committees at the Province.

UNITED ARAB EMIRATES

Ruler Decrees Financial Inspection Department

92AF0319A Al-Shariqah AL-KHALIJ in Arabic
21 Mar 92 p 3

[Emirate decree Number 1 of 1992 Concerning Establishment of a Financial Inspection Department, issued by Sultan Bin-Muhammad al-Qasimi, member of al-Shariqah's Supreme Ruling Council, in al-Shariqah on 3 March: "Emirate Decree Establishes Financial Inspection Department"]

[Text] His Highness Shaykh Dr. Sultan Bin-Muhammad al-Qasimi, member of al-Shariqah's Supreme Ruling Council, has issued Emirate Decree Number 1 of 1992 Concerning Establishment of a Financial Inspection Department in the Emirate of al-Shariqah. The 11-article decree was issued by the ruler on 3 March 3 1992 and published in the fourth issue of the Official Gazette, which appears today, Saturday. The full text of the decree follows.

Emirate Decree Number 1 of 1992 Concerning Establishment of a Financial Inspection Department in the Emirate of al-Shariqah.

We, Sultan Bin-Muhammad al-Qasimi, Ruler of al-Shariqah, in accordance with the requirements of public interest, hereby issue the following decree:

Article 1: An independent government department shall be established in the Emirate of al-Shariqah, to be called the Financial Inspection Department, having a director and a sufficient number of employees, technicians, administrators, and workers; and composed of a number of departments and supervisory offices whose manner of

organization, responsibilities, and operating procedures shall be specified in the internal regulations.

Article 2: The department shall exercise financial inspection over the following agencies:

- Government departments in the emirate;
- Public institutions and agencies belonging to the emirate;
- Corporations in which the emirate has a share of no less than 25 percent of capital, or those in which the emirate government guarantees a minimum level of profit or provides financial assistance;
- Any other agency entrusted by the ruler to the department for inspection.

Article 3: In the area of inspection, the department shall exercise the following responsibilities:

- Determine that administrative agencies have collected, submitted, and added to the relevant accounts the revenue due the government; In so doing, the department shall audit documents, data, and accounts to verify that sums due have been calculated accurately, to ascertain that sums collected were those due under the law, and that financial operations pertaining to the collection and submission of sums due took place in a principled manner pursuant to financial and accounting laws, regulations, and systems.
- Determine that expenditures were made in an appropriate manner, within the limits of authorized appropriations in the projected budget, and in accordance with the objectives for which such appropriations were allocated; and that every phase of expenditure operations was conducted in accordance with financial and accounting laws, regulations, instructions, and budgetary provisions; In furtherance thereof, the department shall determine, in particular, that appropriations were used without waste in accordance with financial and accounting laws, regulations, and budgetary provisions.
- Inspect all accounts external to the budget (settlement accounts), including deposits, loans, and current accounts, to determine the accuracy of operations pertaining thereto, that the figures are recorded in the accounts, and that they are supported by legal documents;
- Inspect investment of funds by the government and other public corporate bodies to determine the soundness of the activities in which these funds are invested and the appropriateness of the return being received in exchange;
- Inspect the accounts and records of storage areas and warehouses and audit the ledgers, books, and documents pertaining thereto; determine the soundness of annual inventory operations, study the causes of excessive stockpiling or damage to stored materials; and recommend appropriate means of protecting and maintaining such materials and the rules needed to establish sound plans for supplying storage areas and warehouses;

- Review the closing accounts of agencies subject to departmental inspection, in addition to the general balance sheets, the profit and loss, operating, and trading accounts of economic sector companies and institutions subject to its inspection and their supporting documents to ascertain the accuracy of their financial position, to establish the soundness of their return, and to establish the rights and obligations of the department and public corporate bodies with respect thereto; The department shall also check their account controller reports.
- Inventory cash and paper of value to determine that they correspond to the records.

Article 4: Within the limits of its responsibilities, the department shall undertake the following:

- Uncover incidents of embezzlement, neglect, and financial violations, investigate them, research their motives, study shortcomings in the legislation and the internal inspection system that caused them to occur, and recommend means of addressing them;
- Study and review the various financial and accounting laws, regulations, and systems, and the manner of conducting financial operations to determine their soundness, to identify the various deficiencies and shortcomings therein, and to make recommendations on means of reforming and improving them to bring the finance department covered by the inspection to the highest level of soundness, efficiency, and accuracy.

Article 5: The department shall put the results of its audits and inspections in the form of comments reported to the concerned agencies through the director of the department to which those agencies are attached. These agencies must provide the department with their responses to those comments, and they must take the measures required to collect the sums lost, expended without justification, or which were due and collection was neglected, with all possible speed.

The department director shall also prepare an annual report concerning every closing account of agencies subject to department inspection, wherein he presents the comments and types of discrepancy between the department and the agency concerned. This report shall be submitted to the ruler and a copy shall be sent to the director or chief of the department concerned. In the event the report pertains to an institution or company, it must also be sent to the institution's board of directors and to the general assembly of the company 30 days before it convenes to approve the balance sheet and the closing accounts.

The department director may also submit other reports throughout the fiscal year regarding issues which he feels are of such great importance that responsible authorities must be apprised of them quickly.

Article 6: The department shall exercise its responsibilities as provided under this decree by means of audit and

inspection. It may undertake an inspection of the agencies subject thereto of its own accord, or pursuant to a request by the concerned agencies themselves. The inspection initiated by the department shall be comprehensive or selective, in accordance with the rules established in the department's work plan.

The department has the right to audit any document, record, or papers that, in its estimation, are needed to carry out the inspection in the fullest manner.

Audit operations shall take place at the headquarters of the department or agency where its accounts, records, and supporting documents are located.

Article 7: In applying the provisions of this decree, the following shall be considered a financial violation:

- A violation of the financial provisions and rules provided for in the laws, systems, and regulations;
- A violation of the provisions of the emirate's general budget, as well as the budgets pertaining to agencies subject to the department's inspection;
- Any action, negligence, or dereliction resulting in the unwarranted expenditure of sums of funds covered by the inspection, or the loss of a financial right belonging to the emirate or one of the agencies subject to the department's inspection, or impinging on any of its financial interests or inflicting harm to funds covered by the inspection;
- Embezzlement of funds covered by the inspection or breach of trust related thereto;
- Involvement in unnecessary expenditures not required by the public interest;
- Failure to provide the department with accounts and their supporting documents within the time limits specified for doing so; or with the papers, documents, or otherwise it requests to carry out its inspection;
- Failure to respond to the department's comments, or correspondence in general, or delay in responding without an acceptable excuse; An employee who answers in a manner intended to delay or postpone shall be considered nonresponsive.
- Unjustifiable delay in informing the department within no more than 15 days of the penalties imposed by a concerned agency for financial violations reported to it by the department, or failure to impose penalties without an acceptable excuse, and in general any action or negligence that prevents the department from carrying out its responsibilities to the fullest.

Article 8: In carrying out an investigation into financial violations, the department shall have the right to contact directly all employees and workers in the agencies subject to inspection and to see any document, record, or papers it deems necessary for the investigation. It may also adopt every means necessary to investigate financial violations, listen to employees and workers, and use all means necessary to preserve the funds covered by the inspection and to recover lost funds or unwarranted expenditures.

Article 9: In monitoring certain technical aspects in the agencies subject to its inspection, the department may make use of experts and technicians. A decree by the director of the department shall be issued in each instance defining their compensation and wages.

Article 10: All shall implement the provisions of this decree to the extent that it involves them.

Article 11: This decree shall go into effect on the date it is published in the Official Gazette.

Issued by us on 3 March 1992.

[signed] Sultan Bin-Muhammad al-Qasimi, Ruler of the Emirate of al-Sharīqah

Council Discusses Population, Labor, Trade Issues

92AE0319B Dubayy AL-BAYAN in Arabic 28 Mar 92
p 9

[Article by Yusuf al-Karkuti, no date: "Sociologists' Association at al-Hajj al-Muhayribi's Gathering in Abu Dhabi: 'Who To Pay Tax of Demographic Imbalance?', Labor Moving To Reduce Expatriate Workers"]

[Text] In a wonderful Arab tent set up alongside a public road, al-Hajj 'Abdallah al-Muhayribi, member of the Federated National Council and president of the Abu Dhabi Chamber of Commerce and Industry, met last night with members of Association of Social Notables, who brought with them many ideas of value to the national interest and the citizen. These focused on demographic structure, the private sector's view of Ministry of Labor and Social Affairs' measures to organize the labor market, workers who flee from their sponsors, and the fines owed by contractors for [sponsors] travel tickets.

The gathering was also an expression of true continuity between fathers and sons on a number of issues that concern the people and society of the [United Arab] Emirates [UAE].

At the outset, Dr. 'Abd-al-Khaliq 'Abdallah spoke about the Association of Social Notables and the importance of such gatherings with prominent members of society during the blessed month of Ramadan. He said this was an excellent opportunity to meet with figures involved in economics, society, culture, and education, and for ideas and positions to interact, all pouring into a single objective, that of the interests of this nation and its people, particularly as this relates to demographic structure, labor, and labor market organization within the country. Dr. 'Abd-al-Khaliq asked al-Hajj al-Muhayribi to comment on this matter.

Paying Tax

Al-Hajj al-Muhayribi said: "In discussing the demographic structure and labor, the association is undertaking a noble mission, one which has critical dimensions. Unfortunately, during the nearly 20 years of the

economic and financial boom in this country, we have forgotten our people, our nation, and our future. There was a tax on this boom, and we are paying it today. We now have to rid ourselves of this tax and realize how harsh it is on the public. It is time that we recalculate and rethink our demographic structure and the financial labor market [as published]."

Al-Muhayribi said that "During a meeting held day before yesterday at chamber of commerce headquarters to discuss the labor structure and measures taken by the Ministry of Labor, we found that (businessmen and stability) [parentheses as published] are two prominent factors underlying this country's economy, but there has to be coordination between them and other government agencies. What happens in many unstudied projects is that they result in bringing in more expatriate labor. Ministry of Labor measures concerning visa, residency transfer, and other matters are perhaps in conflict with the present manner in which contractors and project owners import labor, but we are in a construction phase. Today we see that the UAE is ruled by a union and a federal system, but frankly, the constitution is not yet up to the level of our ambitions. However, we can thank God that we have proven, through our experience following the establishment of the UAE, that we are among its fiercest protectors and supporters. We want to join all of our efforts to resolve this labor problem. I suggest that a plan for one or two years, or more, be developed by the Ministry of Labor and Social Affairs to help organize this matter by covering all workers in the country. Likewise, we must take demographic and labor structure into consideration when developing the terms for tenders, ministries, and departments. All sources of production should participate in putting nationals into their positions and giving them better benefits. We should begin with our children and teach them to assume responsibility, to rely on themselves, and the sense of sacrifice that existed before oil came. Schooling, education, and social affairs should have a big role in this area."

Dr. Sulayman Jasim: "We really do pay a tax for the life and conditions in which we live today, a very high tax. In my opinion, social security is the gateway to industrial security. Thus, a comprehensive plan has to be prepared to upgrade education and the labor force and to give a citizen the incentive to work. We must now talk about the concept and importance of education in this area."

Sa'id al-Rumaythi, assistant deputy labor minister, said: "I would like to refer to the measures taken by the Ministry of Labor that caused a misunderstanding among many association members and businessmen in the country. We did not come up with something new. The definition of the eight categories allowed to enter the country is an old system that was issued by state officials. We only wanted to remind [others] of this system. This was not something new to conflict with the interests of workers, employers, and contractors. This system was enacted and implemented for security exigencies unrelated to us. The Ministry of Labor stands with the companies and supports all their needs. It has never

delayed their requests, but there are some companies making insincere requests, and there are delays that must be halted, not assisted."

Defining Problems, Education

Engineer Ahmad 'Abdallah said: "Brothers, we have to define the problems in our demographic structure. I view them as the presence of a high percentage of unmarried males, a high percentage of non-Arabs, and the presence of many nonproductive and nontechnical vocations and workers. There is no linkage between developmental programs and the demographic structure. We must move in the direction of production projects."

Dr. 'Abd-al-Khaliq 'Abdallah: "The most prominent problem is that citizens constitute a minority of no more than 10 percent of the total population, and that hidden or disguised employment causes a social and security imbalance. Moreover, a large percentage of labor is uneducated and non-Arab, all of which has an impact on various aspects of society, the economy, politics, security, and culture."

Zayn al-Sharif, director general at the Ministry of Labor: "We are in a situation requiring reorganization of the demographic structure. Efforts of the Ministry of Labor and Social Affairs are always aimed at narrowing the distance in perspective between supervisors and the Ministry. There is a gap in understanding the measures issued by the Ministry of Labor."

Al-Sharif added that the state has made a start in development, and that creating productive capacity provides continuous sources of income. "We are striving to create such sources and productive capacities."

"The Ministry of Labor is moving to reduce this large number of workers, to determine the type to come, and to have a ministerial decree concerning importing workers that is well thought out. The problem facing us today is a surplus of incoming labor in the UAE marketplace. The Ministry of Education, in general, will have to intervene early and provide an alternative to meet the market's requirements in various specializations, especially in technical areas."

Al-Sharif stressed that decisions issued by companies are expatriate decisions, not issued by the citizen who owns the company. As a result, a large portion of these decisions have as their primary objective profit at the expense of the public interest.

He also stressed that an industrial venture will receive subsidy and support from the Ministry of Labor because it brings in skilled labor, but that a services venture does not bring such labor in.

Al-Hajj al-Muhayribi: "The problem is growing daily. It now threatens people's interests, especially those of citizens. In Abu Dhabi alone, the number of expatriate merchants accounts for over 80 percent of all wholesalers, retailers, and the like. We have found that a

percentage of the merchants are not beneficial and do not serve the UAE marketplace in any way.

"The process needs to be reviewed. Dealing with it is going to require every possible effort and attempt, because the building belongs to the citizen, while the tenant is an expatriate. There are partners and others of that sort. Thus, efforts other than those of the contractors, the businessmen and the ministry have to step in to find solutions, because one of the country's emirates permits an expatriate merchant to be his own sponsor. This is another problem."

Zayn al-Sharif: "Contracting is the leading sector building the infrastructure of our national economy, and that is why we chose this subject. Of course, our remarks were also intended for expatriate labor in general. The problem requires basic, long-term solutions."

Dr. Sulayman Jasim returned to the discussion of education and its role in the stability process, saying: "Education in the UAE is not tailored to our manpower requirements. Education here is that of eradicating illiteracy, dependent on rote memorization and traditional methods. Hence we find many people attend private schools because the system in government schools is inferior. Technical resources have to be introduced. I would point out that the Technical College offers advanced technical education, as evidenced by the many corporations and institutions that seek to employ their students directly. We have to make a qualitative shift in our educational system."

Businessmen

One of the businessmen attending the gathering said that the problems of organizing expatriate labor and the country's demographic structure are ones that will take a very long time. "Labor has to be organized through the Ministry of Labor as one available solution. Were the ministry to grant businessmen and contractors the right to exchange workers among themselves while still in the UAE, and to allow the transfer of sponsorship and visas to other contractors rather than bringing new workers from abroad, we would overcome the present routine in the ministry, which frequently causes the loss of large numbers of workers under contract from abroad who go off to other work in other countries."

One of the contractors present said: "If the Ministry of Labor wants to reduce the percentage of expatriate labor, it must allow workers to move from one contractor to another when the business of the first contractor has ended, and so on."

Dr. Sulayman Jasim: "The truth is, brothers, bringing in expatriate labor has become a highly profitable business involving every single person brought from abroad."

Sa'id al-Rumaythi: "Transfer from one contractor to another could facilitate the process of workers fleeing, causing other problems we do not need. We do not want the problem we already have to get worse."

Al-Hajj al-Muhayribi: "The transfer of workers from one contractor or job to another is a very acceptable notion, if it is conducted under the purview of Ministry of Labor and Social Affairs. We have to put a stop to this problem. We are supposed to benefit from our many years of past experience."

One of the contractors said: "The government has to step in to organize this matter. Specifically, the consultant's study of the matter or project has to be comprehensive, spelling out the number of workers and the cost."

Sa'id al-Rumaythi: "The Ministry is not suppressing anyone's rights; it honors the rights of everyone. We in the ministry try to have the consultant specify the project's parameters."

Dr. 'Abd-al-Khaliq 'Abdallah said: "All of these ideas, suggestions, and discussions will be submitted as part of our recommendations to the minister of Labor and Social Affairs for discussion with him."

'Ubayd al-Rum, Ministry of Labor: "These sessions are part of a series being held to bring together views on the subject of the demographic structure and the expatriate labor market."

"The ministry has a law regarding the entry and departure of workers and the issuance of work permits which it must apply to everyone. It also has an inspection agency that never delays any transaction. But sometimes, some corporate representatives cause delay in the issuance and completion of a transaction."

A businessman: "I have known the Ministry of Labor for 25 years. It does not have one employee who stays for more than a year or two before going on to another place or agency. But eventually we hope that all of these labor-related problems and issues will be resolved. May God forgive what is past."

Al-Hajj al-Muhayribi: "Since Iraq's Gulf war, the group visa for laborers requires their nationality and other documents about them. This has been causing problems or obstacles for businessmen. Today the war is over, however, and there is no longer any need or justification for these such measures. We should return to the previous situation in coordination with other foreign sources."

'Ubayd al-Rum: "The importation of expatriate labor is organized under the decree that specified eight categories wherein the transfer of sponsorship is permitted. The others are not permitted for security reasons. This is clear."

Dr. Ahmad al-Haddad: "Addressing demographic imbalance is not the responsibility of the Ministry of Labor and Social Affairs. Rather it has to be dealt with by such other bodies as the cabinet, the National Council, education, the family, and the like."

"Moreover, manpower organization is not solely the responsibility of the Ministry of Labor and Social

Affairs. Other agencies have to be brought in and mentioned, the most notable being the municipalities which are the only bodies that provide permits to engage in a profession. The municipality of Dubayy, for example, issued 2,700 work permits in a single month. This does not make sense. We need a study of the need for various classes of labor and contractor requirements. The country has 11,000 tailors. Do we really need this many tailors?

"We have to call on all prominent national researchers to study this issue and recruit the most prominent technicians to outline a plan containing all of our requirements. There has to be an office to register surplus labor and distribute it to companies through the Ministry of Labor and Social Affairs.

"We can not do without imported labor, but we have to determine their political, economic, and social activities."

Dr. Muhammad al-Mutawwa', association member: "There are two kinds of businessmen. The first imports labor with good intentions and is unaware of the danger they pose.

"The second type are those who understand the dimensions of the danger posed by such labor, but have turned this issue into a business. They have to be held accountable and tried under the law.

"Nonetheless immigrant labor is essential. The danger, however, is presented by foreign labor, not Arab, as has been said. There is surplus Arab labor in Europe, so why not bring them and make use of their expertise and skills. In my view, we should rely on Arab labor."

Zayn al-Sharif: "We have to support the laws to protect the country because the danger is from foreign labor, not Arab. What is needed is for the private sector to understand and cooperate with the directives and decrees issued by the Ministry of Labor. To tell the truth, there is no dispute, but a communications gap, between the Ministry and the private sector."

Offset Transaction Laws To Be Enforced

92AE0318A London AL-SHARQ AL-AWSAT in Arabic
18 Mar 92 p 10

[Article by 'Abd-al-'Aziz al-Sadiqi and Taj-al-Din 'Abd-al-Haqq: "Foreign Firms Must Reinvest 60 Percent of Value of Military, Civilian Contracts"]

[Text] The United Arab Emirates [UAE] has begun to apply regulations pertaining to offset transactions, similar to the economic regulations applied in Saudi Arabia, which require foreign companies that have contracts with the UAE to reinvest 60 percent of the value of military purchases locally, as a first stage (and civilian purchases in a subsequent stage). This applies to contracts that are valued at over \$3.5 million.

According to the program's guidelines and directives pertaining to the offset transaction program, the purpose of this program is to create job opportunities for UAE citizens, obtain appropriate technology from foreign sources for use in local industry, and create an economic climate that will result in real growth and stability.

In accordance with the program's regulations, as a condition of approving offset transaction bids from foreign vendors, the bids must conform to a number of standards pertaining to continuity and retention of bids over the long term. Those standards also pertain to price and to the level of technology.

The program's regulations stipulate that, in specific cases, it might be preferable for the UAE Government, the foreign vendor, or both, to pay a cash sum instead of submitting a bid for an offset transaction related to defense or industrial purchases. In accordance with the offset transactions law, the amount of cash participation is subject to negotiations between the UAE "Offset Transactions Group," and the foreign vendor that chooses that option. At that point, the money collected by this means is deposited in a special fund called the Offset Development Fund. These funds are distributed to projects that enjoy top priority and are in accordance with national development goals. This is done in coordination with the concerned UAE governmental agencies.

With regard to responsibility for fulfilling the offset transaction, the law stipulates that if a contract is concluded directly between the UAE Government or one of its agencies, and a principal foreign vendor, the responsibility to implement the offset program rests with the vendor.

In cases where there is a group of companies, or a number of branch contractors of the principal vendor, the UAE Offset Group is permitted to reach an agreement with the vendor to make separate arrangements with each of the branch contractors concerned, provided that the principal vendor retains responsibility for ensuring that the UAE authorities approve those arrangements.

If a contract is concluded with a principal UAE vendor that has a group of foreign branch contractors, responsibility for implementing the offset requirements rests on the foreign branch contractors individually. The principal UAE vendor is responsible for ensuring UAE authorities' approval for arrangements made by the foreign branch contractor.

In accordance with the offset transaction program, purchases subject to the offset program are: all purchases of goods and services of foreign origin, or those which are purchased by UAE governmental agencies or companies that are subject to these regulations and directives.

Purchases include individual purchase orders that are concluded abroad, either through principal or branch contracts, and collective purchase orders within one

fiscal year for functionally similar materials, concluded abroad by organizations subject to these regulations and directives. They also include cases in which the actual purchase price is \$2.5 million more than the fees, or in which the import costs are 30 percent more than the price, as well as in cases where the UAE Armed Forces attempts to obtain offset transactions for its strategic and defense purchases.

Concerning the obligations resulting from offset transactions, the law stipulates that the offset transaction must provide the equivalent of 60 percent of the import costs of the individual contract or collective contracts, and that this percentage may reach 100 percent.

The computation of obligations stemming from the program is done by adding the import costs to a percentage of the transaction's value. Reducing the obligation computed in this manner, or abolishing it through a subsequent vendor of the goods who buys them or deals in them, is prohibited.

If a substantive change occurs in the amount of import costs after the contract is valid, the transaction's obligations may be changed pursuant to that, and in accordance with the conditions defined in the contract.

The law allows the UAE Offset Group to approve transferring obligations derived from any foreign vendor to another vendor, provided that this transfer is in accordance with the provisions that serve national interests, and are not in conflict with regulations and directives.

The law stipulates that if the foreign vendor does not fulfill his obligations in the amount agreed upon during the prescribed period of time, the penalty conditions as stipulated in the contract, or in the memorandum of agreement signed between the importer and the foreign vendor, can be considered, or subsequent payments earned may be withheld until the unfulfilled obligations are satisfied. Otherwise, the negligence and dereliction of the foreign vendor may be made public.

Concerning the fields that could be the subject of offset transactions, the program stipulates that they may include technology transfer, training, and research and development projects, provided that they can contribute to the development of the UAE's national industry through the creation of new industrial areas or in support of existing areas.

The fields can also include the purchase of products and services from the emirates, since it is permissible to approve the purchase of emirate goods and services destined for export or for local use as part of the offset transaction, whether these products are related or unrelated to the goods agreed to be purchased. The fields may also include international marketing, such as marketing local products in world markets by the foreign vendor or by a third person designated by the vendor. Such an action must afford local products new opportunities in

new markets and, consequently, increase the possibilities of exporting traditional or non-traditional goods.

The fields that offset transactions cover also include the production of spare parts and assembly. In this regard, one may also include production processes, the assembly of portions of goods, and services that the UAE Government has resolved to purchase in offset transactions, on condition that these processes are included as part of a more comprehensive package, in which it is stipulated that it is being sent to agents and not to government agencies, that UAE products be introduced into new markets not previously available, that it comprises a true strengthening of technological and defensive capabilities, or that it is capable of continuing in markets on a commercial basis.

These fields also include establishing a company between foreign vendors and local companies, organizations, and government agencies, including industrial organizations owned by the state. In order to approve establishing this type of company for offset transactions purposes, the law stipulates that there be a role for local authorities in determining the bases for, and developing the production stages of, UAE projects, through supplying the projects with equipment, marketing services, and technical and administrative assistance, in addition to the transfer of technology.

The law also permits approving gifts, monetary grants, or grants in the form of material or methods to local companies and organizations as a part of the offset transaction program, provided that the gift be within the context of new capabilities for, or improving existing capabilities in, UAE industries. Moreover, it is forbidden for the receiver of these gifts to stipulate the purchase of any materials by the vendor who gave them. No restrictions may be imposed on the receiver of these gifts or their use, to the effect that the vendor's goods must be purchased in the future, nor may their sole purpose be for the purchaser's use. Technology given through gifts must conform to technological standards.

The law also permits accepting production, testing, or maintenance equipment for new projects—or projects under expansion—in the offset program.

Furthermore, it is permissible to consider expenses as part of the offset transaction program, provided that the purchaser does not bear these expenses.

Concerning the mechanism of the offset transaction program, the program stipulates that the UAE Government request its agencies importing foreign commodities to ensure an offset transaction contract with the foreign vendors. In accordance with that, the agencies should call for approval of the offset transaction when the agency wishing to import commodities invites bids.

It is incumbent upon foreign vendors to submit independent solicitations for their bids pertaining to offset transactions. If the foreign vendor fails to submit a bid

for an offset transaction, his failure could result in disqualifying him from competing for the winning bid.

Official Claims 92 Billion Barrels in Oil Reserve

92AE0318B Dubayy AL-BAYAN in Arabic 21 Mar 92
p 2

[Article: "Prominent World Position for UAE in Hydrocarbon Resources; 92 Billion Barrels in Oil Reserves; 5.7 Trillion Cubic Meters of Gas"]

[Text] As time goes by, the United Arab Emirates' [UAE] important position as one of the most important countries to the world's economy is confirmed, because it exports crude oil and gas, two of the most important energy sources in the world.

The UAE has held its international position in this vital field since the beginnings of production and exporting of crude oil, and its membership in OPEC. This is a fruitful and continually growing organization, playing a vital and influential role, in view of the expectations of a rising demand for crude oil, especially OPEC nations' oil, because of political considerations pertaining to development of energy markets during and after the 1970s. In addition, there are the UAE's fruitful efforts in the field of discovering new oil reserves and increased production capabilities for crude oil.

The celebration of the 20th anniversary of the founding of the Abu Dhabi National Oil Company (ADNOC) in January 1992 was an important occasion. At that time, it was announced by Suhayl Faris al-Mazru'i, secretary general of the Supreme Oil Council and director general of ADNOC, that Abu Dhabi's crude oil reserves totaled 92 billion barrels, and that ADNOC and its group of companies' production had reached 2 million barrels per day [bpd].

In addition to Abu Dhabi's crude oil reserves and production, Dubayy's crude oil reserves and production, which totaled 400,000 bpd, reinforce the UAE role in this vital field. There is also the role that this oil wealth has played, and is playing, in creating comprehensive economic and social progress for UAE society.

These abundant UAE oil resources form an important part of the hydrocarbon wealth that has been discovered. Alongside the oil is the enormous gas resources, estimated at 5.7 trillion cubic meters, making the UAE the fifth or sixth nation in terms of gas reserves. This confirms the UAE's international standing in the energy field, since it occupies second place in the world in terms of its crude oil reserves.

Gas flowed from UAE oil wells with the digging of the very first well. Its blazing flames in the sky over the UAE formed an illuminated sign of the beginning of a new age in this area of the world. But at the same time, it also meant a squandering of national resources. However, soon man intervened to exploit the gas resources—under the direction of UAE President Shaykh Zayid Bin-Sultan

Al Nuhayyan, and the continuous leadership of Shaykh Khalifah Bin-Zayid Al Nuhayyan, the crown prince of Abu Dhabi and chairman of the Supreme Oil Council—to exploit the gas resources.

In the past few years, the state has been able to build three huge gas liquefaction plants. Two of them are in Abu Dhabi and the third is in Dubayy. This is strong testimony to the ideal use of this treasure in the service of the world economy. It reinforces the UAE's international status in the gas and oil industry, and helps to stabilize the world economy.

The gas liquefaction plant on Abu Dhabi's Das Island was the pioneer for the other two plants in the al-Ruways and Jabal 'Ali areas. It occupies a distinctively important position, because it was the first gas liquefaction plant in the Gulf region. Its construction began in 1973, and production started in 1976. It was officially opened by the UAE president in 1977.

Since that time, this plant has played a vital role in the ideal exploitation of the country's gas resources, and is one of the important points of contact with world economic centers, especially in Japan which imports most of its liquefied gas production, by means of special refrigerated tankers that transport the liquid propane gas [LPG] thousands of miles.

However, progress in this gigantic plant has not stopped at this point, but continues to achieve other important accomplishments and attain major goals, commensurate with the UAE's highest political will and constant direction toward the ideal use of its gas and oil resources, and to increase their role and effectiveness with regard to the progress of the world's economy.

From this point of departure, Peter [Carr], the director general of the Abu Dhabi Liquefied Gas Company, Ltd. (ADGAZ), in an interview last week with the magazine AKHBAR AL-NAFT WA AL-SINA'AH [OIL AND INDUSTRY NEWS], talked about the end of the previous phase and the start of a new stage in the state's gas industry.

During the previous stage, the UAE's 20-year-old gas industry made some important accomplishments, resulting in an end to the burning off of gas. This had been seriously polluting the region's atmosphere. Instead, the gas is now exported as a clean energy source to fulfill the world's increasing demands.

ADGAZ was established in 1973, immediately after the signing of an agreement with the Tokyo Power Company [Topco], which stipulated the purchase of ADGAZ's production for 20 years, beginning as soon as a gas liquefying plant was built on Das Island. This island is the center for the gas and oil lines produced by the offshore fields surrounding the island. These are the Umm al-Shayf, Zakum, and al-Bandaq fields. In 1977, the plant began production and, thereby ended the squandering of gas, as well as the pollution and economic

losses. Gas was changed into a new source of wealth and clean energy, flowing in a continuous stream from Das Island to Tokyo.

With the success of this experience over 20 years, work has started on planning for a new stage in the gas industry, commensurate with the UAE's enormous capabilities in this field. This is based on its large reserves of natural gas and accompanying gas, the vast expertise that the UAE has amassed in the gas industry, and the solid confidence that it has earned in world markets, especially in Japan, the main importer of gas from the UAE.

The start of the next stage will be similar to the beginning of the first stage, and will be supplementary. A contract was concluded in October 1990 between ADGAZ and Topco, by which the latter will buy double its present quantities of gas from ADGAZ, beginning 1 April 1994 for the next 25 years.

In accordance with this agreement, ADGAZ is obligated to establish a third production line in the gas liquefaction plant on Das Island, which will double the production of the two existing lines in that plant; and to purchase four LPG carriers to transport the gas from Das Island to Topco's port in Tokyo. The total cost of this two-part project is \$1.6 billion.

The most distinctive feature of the next stage is that ADGAZ will begin this gigantic project while in a strong market position, inasmuch as it achieved record accomplishments last year. Peter Carr, the company's director general, said that ADGAZ's sales in 1991 totalled nearly 4.4 million tons of liquefied natural gas, LPG, and butane gas.

Carr emphasized that, in view of world market fluctuations for liquefied gas products, ADGAZ achieved unprecedented sales rates and production last year, because 1991 was an exemplary year for ADGAZ, compared with previous expectations formed during the Gulf war and the uncertainty that prevailed in the world market at the onset of 1991. ADGAZ income in 1991 totalled \$850 million, which made a direct contribution to Abu Dhabi's economy.

ADGAZ intends to expedite the implementation of this new project. The company's director general announced the start of implementation by the management of ADNOC, which has let the contract to the Japanese [Shidoa] Company. The contract is valued at \$1 billion. Work is presently underway to prepare the site on Das Island by pouring cement foundations and making soil tests, preparatory to the start of constructing the new production line.

The UAE News Agency has learned that ADGAZ has also started on the other half of the project, the construction of four LPG carriers, whose cost will total \$600 million. Agreements have already been signed to build one or more of the four tankers, which must be ready in the first part of 1994.

In the context of the steps so far taken in the new stage, it is worth pointing out that the new expansion in the gas liquefaction plant will be under the supervision of ADNOC which, over the past 20 years, has been able to attain a very advanced level in managing and implementing its own projects or projects in its group of companies, including ADGAZ.

Asian Labor Demographics, Crime Discussed

92AE0318C *Al-Shariqah AL-KHALIJ in Arabic*
21 Mar 92 p 4

[Article by Yusuf Karkuti: "A Solution for Runaway Workers: Permit Transfer of Sponsorships, Create System of Lending, End Sponsorship of Servants, Control Travel of Foreign Workers"]

[Text] An important report concerning Asian workers and servants who run away from their United Arab Emirates' [UAE] sponsors demands appropriate solutions for this phenomenon, which causes security, social, and economic problems for UAE society, and is a heavy burden on security and other authorities concerned with this problem.

The report is clear that the social effects of this problem are manifested by thefts; rape; assuming false identity; narcotics activities; domestic violence; violations of public morals; and the spread of depravity, corruption, contagious diseases, and other negative effects.

The report states that there are many economic effects, including costs to the Ministry of Interior; the financial burden of obtaining food, drink, shelter, guards, and transportation for prisoners to and from the various bureaus; as well as the financial burden on the sponsor, if a sponsored person runs away and is discovered and arrested, because the sponsor must procure his travel ticket.

The report was submitted by Major Jasim Ahmad Jabir of the Interior Ministry to the mid-level leaders' training course at the Interior Ministry's Officer Training Institute this month. The report discussed a number of results and recommendations to stop this phenomenon, as well as how to counteract and find appropriate solutions for it.

Results

After studying this phenomenon—with a review of statements, statistics, available data, and interviews conducted with those concerned with this problem—the report stated that it was clear that the problem with the sponsors' runaways is—in the first place—confined to a number of Asian nationalities, since they comprise the largest group of manual laborers in the UAE. They work in near servitude as house servants, construction laborers, and unskilled workers. Their educational level is low. The presence of huge numbers of manual laborers in the UAE has been helped by the UAE's proximity to those countries that have dense populations, while the

UAE's extensive space and coastline has facilitated mass migrations from those regions.

The available job opportunities in the UAE and the low income level in those countries also contributes to this problem. Moreover, their presence in the UAE has been accompanied by companies that operate in the building and construction field. The meager wages paid to these manual laborers has resulted in keen competition among those companies for their labor, but without specific regulations to govern the relationship between company and worker. This has resulted in these companies' repugnant exploitation of workers, including long hours with meager wages, and no systematic payment of wages. The latter results in creating legal problems and labor disputes between the sponsor and workers in court. A court decision might be handed down after some time, during which the worker has either run away from the company to search for another job with any other company or person, or he becomes content with the wrong that has befallen him. Moreover, some companies go bankrupt as a result of specific circumstances, and sponsors flee abroad, which results in workers running away, looking for other work. There are also companies that do not fulfill their obligations as stipulated in the work contract signed with the workers, and which send them back to their country after the project ends. More often, the companies tell them to look for other work, in exchange for not preventing them from working if another job is obtained. Therefore, this problem is considered dangerous and must be solved quickly, so that its social and economic effects may be lessened, and then completely eliminated.

Recommendations

The report makes the following recommendations to counter this grave problem:

- Draft a law that sets minimum wages in accordance with jobs.
- Permit transfer of sponsorship from one sponsor to another, provided that it is within specific conditions and regulations.
- Expedite the adjudication of workers' transactions if a dispute occurs with the employer.
- Create a system of lending, as in Saudi Arabia, where, if the project is completed and still has workers, instead of releasing them in the state, permit them to work for another company on condition that the new sponsor shares in the return tickets.
- Assign a labor attache to the UAE embassies in India, Pakistan, the Philippines, Sri Lanka, and Bangladesh in order to investigate any collective visas.
- Do not allow a sponsor to have more servants than he actually needs.
- Draft a strict law obligating the sponsoree to work for the sponsor if he does not want to be sent back to his country.
- Inform the masses, through media campaigns, about the seriousness of harboring servants who have run away from their sponsors, and tell them that those who agree to employ runaway workers who are not under their sponsorship will be punished.
- Do not grant resident permits to groups, such as porters (bansharji), grocers, drivers, gardeners, or simple tradesmen. Instead, limit permits to doctors, engineers, teachers, and those with specialized skills that the state needs.

A decree was issued by the Interior Ministry requiring that the sponsoree must obtain a release from his sponsor—whether a company, organization, or individual—stating that there are no obligations against him. If he refuses, he is forbidden to travel. Certain groups have been exempted from that order.

The report states that most European industrialized nations, and countries with economic and political stability, suffer from this same problem, but in the UAE it represents a dangerous problem, because there are no specific regulations to end it. This workforce has a low educational level, with most of them working in construction or as servants, drivers, and domestic cooks.

The report also states that most of this large workforce comes from India, Pakistan, Bangladesh, the Philippines, Afghanistan, and Sri Lanka, comprising nearly 70 percent of total foreign labor in the UAE. Arab citizens and other nationalities make up the remaining 30 percent. In 1989, immigration offices issued 81,239 work, residence, and visitor visas, distributed as follows: India, 32,286; Pakistan, 18,718; Philippines, 14,289; Bangladesh, 6,323; and Sri Lanka, 9,623. Work and resident permits totaled 78,290.

For 1990, the UAE granted 398,028 work, visitor, and residence visas. Some 52,906 new and renewed residence [permits] were issued.

The report advised that there were 5,105 violators of the Immigration and Residence Law in 1989 in the UAE. Those who were deported for violating the Immigration Law totaled 8,208.

The number of persons deported from the UAE in 1990 was 9,787 and, in 1991, the total was 3,533 Indians, Pakistanis, Filipinos, Bangladeshis, and Sri Lankans. The report classified workers in terms of technical capabilities as follows:

- Manual labor working in construction and for contractors, whose educational level is low;
- Doctors, engineers, and highly specialized technicians; and,
- Mid-level technical skills.

The report also defined ways that laborers can enter the country both legally and illegally. It also set forth the reasons that the worker runs away from his sponsor, especially workers in companies and for contractors. The most prominent of these reasons are the absence of a minimum wage, slowness in resolving problems and labor disputes with employers, nonpayment of wages on scheduled dates, reasons of health, companies' inability

to handle their workers, and workers being forced to work more than the prescribed hours.

The report noted that the reasons for runaway domestic servants included better job opportunities available elsewhere in the UAE, low wages, domestic problems, sponsors obtaining sums of money in exchange for selling the sponsorship or visa, and mistreatment of servants.

The dangerous effects associated with runaway workers include thievery, since there were 2,789 thefts in 1989. Those deported because of thievery in 1991 totaled 1,508. Another danger is violation of public morals, inasmuch as 392 crimes of indecency and public morals violations occurred in 1989, while 320 persons were deported in 1991. Another effect is possession and use of narcotics. In 1989, 281 crimes were recorded and, in 1991, 389 persons were deported. Attempted suicide was another of the dangers, because in 1989 there were 153 cases. Premeditated murder in 1991 accounted for 55 cases, and attempted murder totaled 44 in 1991.

Six persons perpetrated the crime of assuming false identity in 1991 and, in the same year, 21 persons were involved in extortion. Those who committed crimes of domestic assault, violence, and molestation totaled 100, and those who committed rape, dealing in narcotics, operating a place of ill repute, prostitution, and coercion totaled 135. There were 915 perpetrators of forgery, theft, domestic assault and violence, premeditated murder, or molestation. Of these, 84 were for forgery, 783 for theft, 17 for domestic violence, 14 for assault, 44 for premeditated murder, and 18 for molestation.

Al-Shariqah Industrial Growth 'Significant'

92AE0318D *Al-Shariqah AL-KHALIJ in Arabic*
25 Mar 92 p 10

[Article by Amani Abu-Sayyidu: "Twelve New Industrial Projects in Al-Shariqah in Past Two Months; New Projects Total 45 Percent of Last Year's Permits"]

[Text] Industrial investments in al-Shariqah registered major, significant growth during the past two months, since 12 new industrial factories were recorded in January and February, compared with 27 for all of 1991.

This was announced by Sa'id 'Ubayd al-Jarwan, director general of the al-Shariqah Chamber of Commerce and Industry, who said that the factories registered in these two months represented 45 percent of 1991's total. That year had experienced a regression compared with the

previous year, because of the Gulf crisis' consequences and the postponement of many investors' projects.

Al-Jarwan said that total investment in al-Shariqah during the last 14 months for all 39 factories was 147.28 million Emirian dirhams. He explained that new permits were divided among the food industries sector and its products (two factories); the spinning, weaving, and leather sector (five factories); the wood industry and its products (six factories); chemical industries and their products (seven factories); non-metal mining industries (two factories); basic metal industries (12 factories); and final processing industries (five factories).

Al-Jarwan expects growth and revival to continue in the near term, especially since the infrastructure for the new, exemplary industrial area will be completed by the beginning of 1993. He said that investment in al-Shariqah has taken a new turn away from duplication, because of the accumulated experience of industrialists and investors, as well as guidance from the al-Shariqah Chamber of Commerce and other specialized and expert circles. He noted that most of the new factories were specializing in products needed by the marketplace, and are not in competition with existing factories. On the contrary, some of them are, in fact, complementary to existing factories. Al-Jarwan cited, as an example, a new factory producing cans for food, which is complementary to the developing food industries in the UAE, and another factory to produce perfume vials for the perfume industry.

The director general of the al-Shariqah Chamber of Commerce and Industry referred to another initiative that the chamber is encouraging. That initiative is the economic exploitation of waste products, because this contributes to protecting the environment. A factory to use glass waste products has been built and production will begin this year. In addition, there was a fertilizer factory established at the end of the seventies, which uses domestic waste products for remanufacture into fertilizer, as well as a paper factory that reuses cardboard and paper.

Al-Jarwan added that the chamber has prepared a preliminary study that will be submitted as a project suitable for industrial investors. It is a complementary industry to the clothing factories, because there are 45 factories in al-Shariqah, which daily dispose of huge quantities of cloth scraps as waste. This cloth can be reprocessed by a special industrial process to produce several products. As an example, they include cloth toys for children, or carpet liners after the waste cloth is chopped and re-formed by a special process.

AFGHANISTAN

Table of Afghan Mojahedin Factions

92P40187A London AL-SHARQ AL-AWSAT in Arabic

27 Apr 92 p 14

[Text]

Table of Afghan Mojahedin Factions

Name	Faction Leader	Military Commander	Strength	Notes
Jami'at-e Islami [Islamic Society]	Borhanoddin Rabbani	Ahmad Shah Mas'ud	60,000	Mas'ud prominent as political leader with military power
Hezb-e Islami [Islamic Party—Hekmatyar faction]	Golboddin Hekmatyar	Hekmatyar	50,000	Strongest rival of Mas'ud
Hezb-e Islami (Command) [Islamic Party—Khaless faction]	Sheikh Yunes Khaless	—	30,000	Hekmatyar split off from it
Ettehad-e Islami [Islamic Union]	'Abdol Rasul Sayyaf	—	18,000	Tends to ally with Hekmatyar
National Islamic Front	Pir Ahmad Gaylani	—	15,000	Tends to ally with Mas'ud, supports return of king
National Liberation Front	Sebghatollah Mojaddedi	Zabi'ollah Mojaddedi	15,000	Tends to ally with Mas'ud
Harekat-e Enqelab-e Islami [Islamic Revolution Movement]	Mohammad Nabi Mohammadi	—	25,000	Tends to ally with Mas'ud
Sazman-e Nasr [Nasr Organization]	—	—	40,000	Shiite organization headquartered in Tehran. There are also other small groups.
Harekat-e Islami [Islamic Movement]	—	—	20,000	"
Haras-e Jihad [Jihad Guard]	—	—	8,000	"
Hezbollah [Party of God]	—	—	4,000	"
Hezb-e Nehzat [Nehzat-e Islami-ye Afghanistan—Islamic Movement of Afghanistan]	—	—	4,000	"
Herekat-e Showra va Ettfaq [Showra-ye Ettfaq]	—	—	30,000	"

The caption says that the paper's source is the Mojahedin organizations in London, Peshawar, and Tehran.

BANGLADESH

Zia Stopover, BBC Interview in London Reported

92AS0870A Dhaka THE NEW NATION in English
17 Mar 92 pp 1, 8

[Text] Prime Minister [PM] Begum Khaleda Zia yesterday said that a poor country like Bangladesh could hardly provide shelter to hundreds of thousands of Rohingya refugees for a long term.

Talking to BBC during her stop over in London on the way to the United States, Begum Zia said over 160,000

refugees had already entered Bangladesh. She would discuss the issue with President Bush.

The Prime Minister said Bangladesh spared no effort to solve Rohingya refugee issue bilaterally with Burma. But it produced no result. "So we are now seeking international support for its solution," she said.

We would want that the Rohingyas could return home with dignity, honour and security. We would share our anxiety with the United States.

Begum Zia also disclosed that a number of bilateral and international issues would also be discussed during the talks.

The Prime Minister was told that Burma faced international pressure on the question of Rohingyas. Those countries which were silent are now asking Burma to take back its citizens and negotiate with Bangladesh.

Will Bangladesh seek U.S. military support if even these pressures on Burma for solution of Rohingya fail?

Begum Zia said her government was a democratic one, which always places the interest of the people above everything. We have always sought humanitarian support and still now we seek humanitarian support and not military one, she told the BBC.

Prime Minister Begum Zia said she would hold discussions with the members of the Security Council if the time permitted. She was replying to a question if she was seeking international diplomatic support in solving the vexed issue.

Asked how the refugees would be sent back when Burma declines to accept Rohingyas as their citizens, the Prime Minister said these refugees had also been pushed into Bangladesh in 1978, Burma took them back.

These refugees have identity cards, certificates of citizenship. Diplomats have seen it, newsmen examined them and the members of international donor agencies have also seen them. Therefore, Burma will have to take back its citizens.

Asked if she would seek to impose military pressure during her talks with U.S. Defence Secretary Dick Cheney and General Colin Powell, Prime Minister Khaleda said during the last cyclone U.S. military helped Bangladesh in relief operations. We had been greatly benefitted. We are not talking about the military side but the humanitarian side.

Asked if she was giving up the question of putting military pressure on Burma altogether, the PM said that it was very difficult at this moment to discuss about it.

We want the problem to be solved peacefully. We need economic assistance to strengthen democracy, for without economic emancipation it was not possible. Her government will discuss the question of U.S. investment in Bangladesh.

BSS from London adds: Prime Minister Begum Khaleda Zia arrived here Monday morning enroute to Washington for a five-day visit to the United States at the invitation of President George Bush.

She was greeted by Sri David Muirhead, a representative of Her Majesty's government at the Hillingdon VIP suite of the Heathrow airport.

Bangladesh High Commissioner to UK, Mr. Rezaul Karim, senior officials of the high commission and BNP [Bangladesh Nationalist Party] leaders in UK were also present at the airport to greet the Bangladesh leader.

Begum Zia is due to meet the representatives of the business community and prospective investors as well as some Bangladeshi community leaders residing in London.

A group of Bangladeshi journalists and newspaper editors based in UK will also have a meeting with the Prime Minister at her hotel.

The Prime Minister will also attend iftar party organised by the local BNP in her honour.

Begum Zia leaves here for Washington this morning to begin her 5-day visit to the United States.

Foreign Office Refutes Burma's Stand on Rohingyas

92AS0873A Dhaka THE BANGLADESH OBSERVER
in English 13 Mar 92 pp 1, 10

[Text] Bangladesh has brushed aside reports emanating from Yangon saying that Myanmar refugees coming into Bangladesh since the middle of last year are "illegal immigrants" in that country, reports BSS.

A Foreign Office Press release also discounted reports from Yangon that "historically there has never been any Rohingya race" and said such reports about the Myanmar refugees are simply devoid of truth.

The Press release gave a detailed background of the situation and said the government of Bangladesh is constrained to put the whole scenario in perspective and place the historical facts before the international community.

Referring to the influx of the Myanmar refugees, the Press release pointed out that Rohingya Muslims were also forced to leave their hearths and homes once before in 1978 when three lakhs of them took shelter in Bangladesh.

Seventy percent of these people had the first category Myanmar citizenship and more than two lakhs of these people were ultimately taken back by the Myanmar Government.

This time also, the press said, in spite of the fact that the citizenship certificates and documents of many refugees were forcefully taken away by the Myanmar security force, a large number of them have been able to bring these documents which are available for inspection by anybody.

The Press release referred to reports from Yangon that the "very name Rohingya is a creation of a group of insurgents in the Rakhine state and since the first Anglo-Myanmar war in 1824, people of Muslim faith from the adjacent country illegally entered Myanmar Naingngan, particularly Rakhine state" and said such information is aimed at creating misgivings about the status of Myanmar refugees.

The Press release pointed out that the Arakan province (which has been renamed by Myanmar Government as Rakhine province) came under the influence of Indian sub-continent in the 9th century and Arakan was made a part of unified Burma in the 11th century and later in the 15th century Arakan became an independent kingdom under the rule of Muslim Kings.

The rule of Muslim kings continued till 1784, the press release said and added that Bengali literature and poetry flourished during poets Daulat Kazi, Alaul and Kagan Thakur were poet laureates of Arakan courts.

Detailing the historical background, the Press release said in 1784, Burmese King Bodawpaya annexed Arakan, which was taken over by British-Indian empire and later joined with British Burma. The dialect of Arakan is a curious mix of Arakanese, Bengali and Burmese and close to Chittagong dialect of Bangladesh, it pointed out.

The Press release said the present estimated population of Arakan is about 2.2 million of which 1.4 million are Muslims, who came from three different streams—Arab traders visiting Bengal and Arakan after the advent of Islam from seventh century and many of these Arab settled in Arakan Mughals having close contacts with Arakan like Prince Shuja, son of Emperor Shahjahan fleeing to Arakan and Bengali Muslims from Chittagong moved to Burma in general and Arakan in particular.

The Press release pointed out, that it is, therefore, those people who were living in Burma on 4 January 1948, when Burma was given independence by British were in fact citizens of Burma like those who living in erstwhile East Pakistan on 14 August 1947, as citizens of East Pakistan or those living in India on 15 August 1947, as Indians regardless of where they came from among the regions now constituting different independent states.

The Press release said Rohingya Muslims of Arakan have evidently some historical links and affinity with the present Bangladesh but it no way means they will lose Burmese citizenship and their right to live and work in Burma.

The Press release also pointed out that a Pakistan consulate started functioning in Akyab ever since the independence in 1947 and the same was turned into a Bangladesh consulate since Bangladesh emerged as an independent nation. This is the only foreign consulate in Akyab, the capital of Arakan.

The Press release also pointed out to what Burmese leaders said about Rohingya Muslims and quoted Prime Minister U Nu of Burma in a speech over Radio Rangoon on 25 September, 1954 at 8 p.m., inter alia, "The Rakhine state is situated towards the south—west of the union. The Buthidaung and Maungdaw townships are included in the Sittwe division of the Rakhine state. These two townships are bordering East Pakistan. The majority of the people residing in these two townships are 'Rohingyas' who profess the Islamic faith." (U Nu is presently the patron of the democracy and peace party).

It also quoted Prime Minister and Defence Minister U Ba Swe at mass rallies for the people of Buthidaung and Maungdaw on 3 and 4 November, 1959, as saying "the Rohingyas" are equal in every way with other minority races like the Shan, Chin, Kachin, Kayin, Kayah, Mon and Rakhine. They have lived in the Myanmar Naing Ngan for ages according to historical facts. They are of the Islamic faith. There is historical evidence that they have lived faithfully and harmoniously with other races of the union."

It is amply clear that the Rohingya Muslims are a distinct group who have lived in Arakan (Rakhine) province for more than a thousand years and lately have become the majority in that province, the Press release said adding that there is no ground for the current attempt to throw them out of Myanmar.

Visiting EC Official Talks to Newsmen

92AS0880A Dhaka THE BANGLADESH OBSERVER
in English 3 Mar 92 p 12

[Article: "Dhaka To Gain From Single EC Market"]

[Text] Bangladesh has enormous potential to gain from the single European market said a senior European Commission official in Dhaka Monday, but its efficiency requires a push, says UNB.

"You have enormous potential...there are lot of possibilities to raise your export in the Single Europe," Albert de Pass, head of EC's South Asia Division, said at a Press conference Monday afternoon at the end of a two-day seminar on "Europe 1992."

The Commission of the European Community arranged the seminar to inform Bangladesh business community and Government policy makers about the changing behaviour of business in the single European market which comes into being January 1993.

The EC official highly appreciated the efficiency of Bangladesh's garments sector and saw its bright prospect in European market.

He, however, felt that three other major exportables—frozen foods, leather and jute—still lack required efficiency to penetrate in a better way into a more competitive Europe.

"EC itself will have no effect on Bangladesh—EC trade relations but certainly market will be more competitive...businessmen in Bangladesh need better expertise, marketing channel and efficient contact—building mechanism to match the new phenomenon."

Asked if he is optimistic about better prospect for jute, shrimp and leather in the changed European market, De Pass said, "it's not a question of optimism or pessimism, it's a question of reality."

On recent decline in Dhaka's exports to EC, he said jute and shrimp now face tremendous competition.

Many sellers are offering shrimp at much lower prices while synthetic substitutes are now a great threat to jute, de Pass said. "EC is not responsible for the slump."

EC is the single largest export market for Bangladesh, importing 34 percent of Dhaka's total annual exports.

Replying to another question, the EC official ruled out the possibility of discontinuing preferential treatment in trade offered to the Least Developed Countries (LDCs) in the Single European market.

EC Resident Mission chief Ambassador Jacques Bailly and Export Promotion Bureau Vice Chairman Waliul Islam were present at the briefing.

About 200 representatives of leading business firms attended the seminar. Discussion mainly concentrated on four major export items—jute, shrimp, leather and garments—which constitute 75 percent of Bangladesh's total exports to EC.

Protocols Signed With Former Soviet Republics

Turkmenistan on 28 Feb

92AS0884A Dhaka *THE BANGLADESH OBSERVER* in English 3 Mar 92 p 1

[Unattributed article: "Protocol With Turkmenistan Signed"]

[Text] Moscow, Mar. 2:—Bangladesh and Turkmenistan signed a protocol on February 28 at Ashkhabad establishing diplomatic and consular relations between the two countries, reports BSS.

The Foreign Minister of Turkmenistan Abdu Kulieyev and the State Minister for Textiles Major (ret'd) Abdul Mannan signed for their respective countries.

A Memorandum of Understanding was also signed between the two countries which provides for closer bilateral cooperation in the fields of trade and commerce, communication, science and technology, culture and education. This was signed by VBM Otcheatsov Grigorevitch, Deputy Head of the Turkmen Government and Major (ret'd) Abdul Mannan. The two sides agreed to sign a joint economic commission the draft for which has already been prepared for consideration.

Ties to Ukraine Established

92AS0884B Dhaka *THE NEW NATION* in English 29 Feb 92 p 3

[Article: "Bangladesh, Ukraine Establish Diplomatic Ties"]

[Text] Bangladesh and Ukraine established diplomatic relations on February 24 through exchange of letters.

The letters were exchanged between Valentin M. Lipatov, Deputy Foreign Minister of Ukraine and M. Abdul Mannan, Minister of State for Textiles, Bangladesh.

During the three-day visit to Ukraine from February 23-25 a 22-member Bangladesh delegation led by Mr. Abdul Mannan had extensive discussions with the Ukrainian Minister for Foreign Trade, Mr. Oleksiy P. Myhailychenko, the Minister for Light Industries, Mr. Nikitenko and the First Deputy Minister for Foreign Economic Relations, Mr. Leonid G. Steshenko on economic cooperation between the two countries.

The discussions covered a wide-range of subjects which included export and import of items required by each country, establishment of joint-venture enterprises and technical collaboration.

Agreement With Byelarus

92AS0884C Dhaka *THE NEW NATION* in English 23 Feb 92 p 1

[Article: "Dkaha-Minsk Diplomatic Ties Set Up"]

[Text] Bangladesh and Byelarus signed an agreement here on Friday, capital of the Republic of Byelarus, establishing diplomatic and consular relations between the two countries.

The visiting State Minister for Textile Maj. (Ret'd) M. A. Mannan and Foreign Minister of Byelarus, Mr. Puter Krovchanka signed the agreement on behalf of their governments. The agreement provides for immediate establishment of diplomatic and consular relations which will be governed by the provisions of the Vienna Conventions of 1961 and 1963 in diplomatic relations.

Earlier on February 20, Major (Ret'd) Mannan had a meeting with the Chairman of the Supreme Soviet of Byelarus Shushkevich Stanislav Stanislavovich. He also handed over a message of goodwill to Byelarus head of state from Bangladesh Prime Minister Begum Khaleda Zia.

Report from Moscow says: Bangladesh goodwill delegation, led by State Minister of Textiles Maj. (Ret'd) M. A. Mannan, now on a visit to the Commonwealth of Independent States spent busy days here holding discussions with the Ministry of Foreign Affairs, Committee for Foreign Economic Relations, Russian Ministry of Trade and Material Resources and the Ministry of Industries.

World, Asian Development Bank Review Economy

92AS0872A Dhaka *THE NEW NATION* in English 13 Mar 92 pp 1, 8

[Text] Development of the country's economy depends on how successfully agricultural and industrial productivity is raised as well as the degree of government policies offer encouragement to industrial growth and agricultural diversification, according to donors.

The donors, World Bank and Asian Development Bank (ADB), have shown little optimism about turnabout in Bangladesh economy following implementation of reforms package prescribed by them. According to them, the projection of 3.6 percent growth in the agricultural sector in the Fourth Five-Year Plan (1990-95) is on the high side given that over the last decade, the average was below two per cent. The donors are of the view that if reforms in the agricultural sector are further strengthened and timely supply of inputs ensured the target is not entirely unrealistic. They feel that the country could emerge as a net exporter of foodgrain in a few years' time if food production continues to increase at the current rate.

In its review of the agricultural sector the donors indicate that the slower growth rate in the agricultural sector during the first half of the current fiscal year (1991-92) is largely due to higher input costs, especially, irrigation costs, resulting from higher diesel prices.

The donors believe that industrial output in 1992 is likely to increase by six percent from what it was in 1990 namely ten per cent. While predicting moderate growth in the industrial sector, the donors have asked the government to continue its trade liberalisation policy through further rationalisation of tax structure and elimination of quota restrictions. The donors in turn will support government's flexible exchange rate management and policy for promoting investment in the industrial sector. Moreover deregulation of public sector enterprises and foreign investment policy would get needed support from the donors in the coming years.

The donors are in favour of dynamism in growth which is projected at five per cent. They believe that there will be a rapid expansion in the transport and communication sectors because of increased public sector involvement.

Commenting on poverty alleviation, the donors opined that it would lead to a greater emphasis on social infrastructure resulting in greater demand for health and education services. They are optimistic about significant expansion in trade and financial services with participation of a dynamic private sector.

Gross domestic investment as a proportion to Gross Domestic Product (GDP) is expected to rise to 12 percent in 1992 because of larger volume of foreign resources and a slightly higher rate of economic growth during the period. The rise in gross domestic savings as a proportion to GDP is likely to increase from 3.5 percent in 1991 to 4 percent in 1992. The increase in domestic savings will stem from growth in the private sector as well as improvement in resource mobilisation in the public sector. This will narrow down resource gap from slightly 8.4 percent in 1991 to eight percent in 1992.

The donors have, however, expressed concern over rising current account expenditure compared to revenue income because of continued high expenditure on

defence and subsidies. They hold that although there might be some shift in relative emphasis between various sectors such as defence and education, the level of current expenditure is unlikely to be reduced in 1992 as a means of narrowing the gap between revenue and expenditure. The donors hope that despite adverse impact of trade liberalisation programme, the government revenue is likely to increase to about 10 percent of GDP in 1992.

Finance Minister Meets Press in Dhaka

92AS0874A Dhaka THE NEW NATION in English
12 Mar 92 pp 1, 8

[Article by Jehangir Hussain]

[Text] Finance Minister M. Saifur Rahman yesterday said that the government was on the "Right track" on major macro economic reforms.

Briefing the press on the economy at the Conference Room of National Economic Council (NEC) Saifur Rahman said, "Despite difficulties we are going ahead."

But on the micro level, he said, things were not picking up as expected.

The Finance Minister said that newspaper criticism helped the government remain alert but at the same time he said that not all the reports nor the comments were correct or based on facts.

The Finance Minister said that Begum Khaleda Zia's government was determined to reduce dependence on foreign aid.

He said that by the year 1995 the BNP [Bangladesh Nationalist Party] government expected to raise the contribution of domestic resources to the Annual Development Plan (ADP) to 39 percent. He said that during the coming fiscal year he expected the contribution of domestic resources to ADP to rise to 15 or 16 percent.

The Finance Minister said that much of the newspaper reports over the past several weeks had been "speculative rather than objective."

"At times," the Finance Minister said, "we have to go two steps backwards to be able to set the wrong right so that finally we are able to go ahead." The Finance Minister also said that much energy had to be spent on setting the wrongs piled up on the economy over the nine years of autocratic rule.

Speaking quite frankly the Finance Minister said that the newspaper reports on disbursement from ADP allocations, the export and import picture or the pledges or disbursement of foreign aid had not been always objective.

The Finance Minister said that because of rains "We started work around mid October."

The total disbursement stood at Taka 3,425 crore that is 46 percent of the total ADP outlay of Taka 7,500 crore. He said that till February last year the disbursement stood at 45 percent.

Giving the break-up he said that Taka 1,325 crore, that is 51 percent of the domestic component of Taka 2,600 crore and Taka 2,100 crore, that is 43 percent of the foreign exchange component of the ADP of Taka 4,898 crore were disbursed till February.

Out of the cyclone rehabilitation plan fund, he said, Taka 200 crore out of the total of Taka 300 crore had been disbursed.

Till February, he said, revenue collection was Taka 1,000 crore more than the expenditure.

He said that export had been better than last year and so had been the remittances. The Finance Minister said that export during July to January this fiscal year stood at 1,087 million dollars compared to 999.78 million dollars during the corresponding period of the last fiscal year while the remittances during July to February this fiscal year stood at 536 million dollars compared to 508 million dollars of the same period last fiscal year.

The imports during July to January this fiscal year, he said, stood at 1,814 million dollars compared to 1,884 million dollars during the same period last fiscal year.

"Bangladesh's imports are getting down to our own requirements," he said, adding, "Bangladesh should settle down to meet its own requirements and not to import for others."

Dismissing some of the newspaper criticism he said that pledges and commitments of foreign aid were not the same. Besides, he said that certain pledges are so very conditional in which "I am not interested." "We have decided not to take this sort of conditional pledges," he said.

"When some say undisbursed pipeline I say 'unoperative pipeline,' the Finance Minister said. "There is no such thing as the pipeline. Because a project continues for five or six years so the aid money is lined that way," he said.

Statistics of undisbursed aid in newspapers, he said, was at times less than correct. Previous years' unutilised aid money, he said, is seldom given as it would mean for the donors increasing their current expenditures.

He said, "Your criticism prompted us to be more vigilant. But not all the reports and criticisms were correct or objective." "We also need some encouragement," he said adding, "We would expect you to give the statistics correctly."

Asked whether credit squeeze and swelling bank reserves were together creating an economic stagnation Saifur Rahman replied, "There has been no credit squeeze."

All banks, he said, had been asked to give credit but if the private sector was not borrowing it needed to be studied why they were not doing so.

Quoting the Ministry of Industry he said that the private sector activity was picking up "but not to the extent we expected."

The foreign exchange, he said, now stood at 1.3 billion dollars which was almost equal to four months imports.

"We should be happy about it," he said, adding, "We should be concerned if it contributes to inflation."

The annual inflation average if estimated at the current level, he said, would stand at 6 percent compared to the previous year's level of 10 percent.

Saifur Rahman said, "Under ESAF we are required to have one billion dollars of foreign exchange reserve. But he said that the somewhat higher current level would suit the debt servicing requirements in the coming weeks and also for eventualities.

The reserve, he said, ought to be more.

The Finance Minister said "Over night, in nine months, we cannot create a private sector."

Asked the quantum of foreign aid to be sought for the coming fiscal year he said, "I have not yet prepared my paper. Please wait till April. If everything is said now what we would then say."

But the Finance Minister also said, "It would be better if we could do away with the foreign aid. I am also not in favour of mere pledges but for effective pledges."

The Finance Minister said that a project done with foreign money cost more than if implemented with domestic resources.

The Finance Minister also said that some of the projects during the nine years of autocratic rule were not on the ground which was quite different now. He in this context quoted the old saying, "The quazi's cattle is not to be found in the stable but in the books alone."

Referring to the storm raised by some newspapers that aid would come down he said, "As the Finance Minister I am not for writing for more and more of aid but to reduce the aid to the barest minimum and go for domestic resource mobilisation to restore economic sovereignty and national self-respect."

Papers Report BNP National Executive Meeting

Zia Opens Meeting

92AS0883A Dhaka THE NEW NATION in English
26 Feb 92 pp 1, 8

[Article by Jehangir Hussain: "Khaleda's Call at BNP EC Meet; Nurture Democracy for People's Welfare"]

[Text] Prime Minister Begum Khaleda Zia yesterday called upon all the political parties and the whole nation to shun the path of negativism and come forward for nurturing democracy, now in its infancy.

Inaugurating an extended meeting of the national executive committee of BNP [Bangladesh Nationalist Party] Begum Zia said, "let us all together nurture democracy for the benefit of the eleven crore people of Bangladesh."

The extended meeting being participated by 1,600 delegates from all over Bangladesh at the lawn of Prime Minister's office Sugandha is likely to continue for days.

Two previous extended meetings of the ruling party were held in March and July last year.

Begum Zia, who is also the chairperson of BNP, told the delegates to remember the responsibilities that the people reposed on them by electing their party to power.

She said that they must remember the numerous problems facing the people and the country and added that with sincere, honest and dedicated work alone all these problems could be tackled.

Without naming the opponents, the Prime Minister said that they were taking a totally negative path being oblivious of their political responsibilities.

Begum Zia said that BNP had to face opposition right from its birth as a political party. This is not the way to politically oppose us as it is full of hatred," Begum Zia said. The Prime Minister said, "they are opposing the government now for the sake of opposition." Begum Zia said, because they do not have any political issue, they have taken a negative path.

Amid thunderous applause, the Prime Minister said that in spite of all conspiracies the BNP won the February 27 parliamentary elections that was praised by the whole world.

Begum Zia said, "I would appeal to all the parties and each citizen to realise that Bangladesh was created with much blood of the martyrs and the tears of mothers and sisters belong to eleven crore people of this land."

"This country," she said, "is not for splitting among vested interest groups."

"I would call upon all to desist from indulging in any irresponsible act with the fate of the people of Bangladesh because to create Bangladesh many people gave life and many mothers and sisters shed their tears," Begum Zia said.

Begum Zia said, "the principal task before us now is to ceaselessly work for the economic emancipation of the people."

She listed the numerous problems facing the people, the economy and also the nation as a whole.

The Prime Minister said that the path was far from easy and it was in no way possible to solve the mountain high problems overnight.

"But even then I firmly believe that we shall, God willing, be successful in spite of the adversities if we all work with dedication and sincerity," the Prime Minister said.

The Prime Minister said that the government formulated its new industrial policy keeping in mind the free market economy.

From now on, Begum Zia said, the government's role would be that of supportive instead of that of control.

Begum Zia said that there was neither scope for us to be guided by emotion or waste a moment in tackling many problems facing the nation.

The Prime Minister said, that nine years of autocratic illegal and autocratic rule ruined the country, destroyed the backbone of its economy, endangered the inherent strength of the economy with too much dependence on abroad, corruption has entered every sphere of national life, and unemployment and landlessness multiplied.

Begum Zia said that since forming the government after the national elections of February 1991, first under the leadership of Acting President Justice Shahabuddin Ahmed and then under parliamentary system on September 19, 1991, "We have already fulfilled some of our pledges of the nation."

Begum Zia mentioned some of the measures already taken among which were waiving the farmers' loans up to Taka 5,000, raising the age level for government jobs at the entry point to 30, making parliament sovereign establishment of an accountable government, ensuring full press freedom, lowering the bank rates to facilitate investments, and taking of realistic steps for solving the problems of the non-government teachers.

The Prime Minister said, "we sincerely believe that the interest of no individual can get precedence before the greater national interest."

"We have come before the nation with this pledge," Begum Zia said, adding, "any deviation from this position would amount to betrayal with the nation."

Begum Zia said that no one could ever escape the trial by the people and the people always gave their correct verdict as they would in the future.

Begum Zia said that during the movement against autocracy BNP always was for greater unity.

Likewise, she said, today also united efforts were necessary for achieving economic emancipation "because we consider that power is not permanent."

"We have to create the tradition of healthy democratic culture," she said, adding, "we can ill afford to hit at the newly achieved democratic system by taking to the path of rashness or obstinacy."

That is why, she said, "I would today appeal to all the political parties, the people, the students, the workers, the intellectuals, the physicians, the lawyers, the writers, the engineers, the newsmen, the government servants, to their good sense, let us together nurture the democratic system achieved with much sacrifice—so that we are able to give democracy an institutional shape."

Begum Zia told the delegates, "you have created history by your dedication to the party and by foiling conspiracies against BNP and the cause of nationalism during the nine years of anti-autocracy movement."

She said, "you have proved that victory could be achieved with unshaken patriotism and unflinching faith in ideology and democracy."

That is why, she said, BNP had been brought back to power by the people after it was ousted through conspiracy.

The Prime Minister said that it was clear like the light of the day in the whole nation that BNP never compromised with the hopes and aspirations of people.

The Prime Minister said that the holding of the extended meeting was significant because it was taking place in the back-drop of a situation when the people have much expectations from BNP and the party formed the government on the ruins left by nine years of illegal rule and exploitation.

The Prime Minister said that BNP never hesitated to take the correct decision in the interest of the people and the nation.

She told the delegates that they had the great responsibility to discuss the problems facing the people and take the well thought out decisions to fulfil the expectations of the people.

Begum Zia said each and everyone in BNP would have to dedicate to the task to make BNP a well organised and powerful party.

Begum Zia said, "being the followers of the ideology of Shaheed Zia you have already overcome many hurdles and you have both the talent and efficiency to better organise the party at every tier."

Concluding Session

92AS0883B Dhaka THE BANGLADESH OBSERVER
in English 27 Feb 92 pp 1, 10

[Article: "BNP Call To Give Democracy an Institutional Shape"]

[Text] The two-day extended meeting of the National Executive Committee of Bangladesh Nationalist Party

(BNP) concluded in Dhaka on Wednesday with a call for forging greater national unity to give democracy an institutional shape and economic emancipation of the people, reports BSS.

"We want to make the hard-earned independence meaningful and consolidate sovereignty. It can be achieved by forging meaningful and effective national unity imbued with the spirit of patriotism," the meeting said in a resolution.

Presided over by Prime Minister Begum Khaleda Zia, chief of BNP, the meeting called upon all political parties and professional groups to consolidate democracy achieved at a huge cost.

The meeting said the chronic losses suffered by sector corporations, railway, road and highways, banks and other financial institutions had created adverse impacts on national economy. Stressing the need for developing cordial employees-management relations, the meeting strongly pleaded for increasing productivity to reduce wastage and losses in all sectors.

The meeting said it was the imperative need to uproot corruption created at all levels of society by the autocratic regime, if the nation has to continue its advance march stated by the present government.

It stressed reducing expenditure in unproductive sectors, including industrial production and taking steps for eradicating terrorism in the educational arena. The meeting also underscored the need for creating more employment opportunities by setting up new industries, reducing the price of diesel, fertilizer and insecticides for boosting agricultural production.

The meeting observed that the people had installed the BNP to power with the objective of establishing a self-reliant nation, institutionalising democracy at all levels and bringing about economic emancipation.

The Government of Prime Minister Begum Khaleda Zia has taken sincere efforts to overcome all crisis for fulfilling the people's expectations, the resolutions said adding the Government had already taken a number of people-oriented programmes.

The meeting listed a series of achievements of the BNP Government during the last few months. These included exemption of agricultural loans up to Taka five thousand, waiving of tax on agricultural land up to 25 bighas, establishment of a sovereign parliament, ensuring freedom of the Press, establishing an accountable government, announcement of a new industrial policy to establish a free-market economy, formation of wages commission and reintroduction of canal digging programmes.

The meeting said the defeated forces of autocratic regime, taking the advantage of democracy, were out to hinder the efforts towards fulfilling people's hopes and aspiration.

Another political force has been raising some political issues, already rejected by the people, to create unrest in the country, the meeting said calling for involving the people in the implementation of the programmes of the government.

The meeting also paid tributes to the party leaders and workers who died since the last extended meeting held on March 15 last.

The meeting called for international help to check the influx of Rohingya refugees from Myanmar and steps for their quick return.

It pleaded for early solution of all bilateral issues with India including the sharing of the Ganges war, the handing over of Tin Bigha corridor and Talpatty in a spirit of understanding and cordiality. It favoured cooperation and friendship among the SAARC [South Asian Association for Regional Cooperation] countries on the basis of mutual respect.

The meeting, in its resolution, said it was essential to strengthen organisational structure of the party by holding conferences at all levels including national council, to fulfil its electoral pledges to the nation. It favoured restructure of the local government bodies and congratulated the government for dissolution of the Upazila system.

More than 140 central and grassroots level leaders addressed the two-day meeting. Besides Prime Minister Begum Khaleda Zia, Deputy Leader of the House Prof. Badruddoza Chowdhury, LGRD [Local Government and Rural Development] Minister Abdus Salem Talukdar who is also Secretary General of BNP, Tanvir Ahmed Siddique, Amanullah Aman MP [member of Parliament], Farida Rahman MP, Zahid Hossain Chunnun, Fazul Huq Milon and Moazzem Hossain addressed the meeting.

Draft National Agricultural Policy Summarized

92AS0881A Dhaka THE BANGLADESH OBSERVER
in English 4 Mar 92 pp 1, 10

[Article: "Farm Sector Contribution to GDP Declines to 39 Percent"]

[Text] Contribution of agriculture to the country's GDP [gross domestic product] has declined from 60 percent in the first Five-Year Plan to 39 percent in the Third Five-Year Plan period, reports UNB.

A draft paper on national agricultural policy says despite the decline in relative importance of agriculture in the national economy in recent years, the sector still produces a lion's share of the economy's output and employs nearly three-fifths of the civilian labour force.

"Agricultural performance has a major direct impact on important macro-economic objectives like poverty alleviation, employment generation, human resources development and food security."

The policy viewed that the pace of technological transformation in agriculture has accelerated over the years with progressive adoption of modern techniques, inputs and equipment.

"Yet there is a long way to go with only 42 percent of the cultivated land under HYV [high yielding variety] and 30 percent under irrigation. And there is considerable scope for extension of modern techniques at the farm level."

It says lack of resources of investment, inappropriate input delivery system, unfavourable output prices and deficient infrastructural facilities limit the level of adoption of new technologies.

"The policy makers of Bangladesh have yet to devise an effective strategy for transforming the traditional small holding rice growing peasantry into modern agricultural entrepreneurs."

It said that our population is going up at the rate of 2.2 percent per year and then the population of the country will reach more than 130 million by 2000. And if this number has to be provided with the required calories from domestic sources, production of grains must go up to 25 million tons by the end of this century.

The per capita income of the country has gone up, on an average, by a little more than one percent per annum during the last decade.

"This means that while formulating programmes for self-sufficiency in foodgrains production, we must not only take into account the current level of imports of grains and the rate of growth of population but also the income effect on the demand for grains in the country."

The policy observed that whichever the way the need for grains estimated in the next decade, the level of domestic output of grains has to go upto about 25 million tons, if we are to become self-sufficient in foodgrains.

"An increase in the level of output of more than a million tons by the year 2000 would call for a rate of growth of foodgrains production of less than 3.5 percent per year during the nineties." This is substantially higher than the rate of growth of foodgrains output of the last few decades.

The policy paper says this growth rate is not an unattainable goal if all necessary measures are adopted by the government to provide the peasants with modern inputs and credit.

Measures will also have to be taken to reduce crop damage because of floods, droughts and other natural calamities.

The policy measures suggested in this paper are based on the assumption that the government will endeavour to raise the growth rate of foodgrain production by more than 3.5 percent per annum.

Awami League National Executive Council Meets

Hasina Opens Meeting

92AS0877A Dhaka THE NEW NATION in English
2 Mar 92 pp 1, 3

[Text] The Awami League [AL] Chief and Leader of the Opposition in Parliament Sheikh Hasina has threatened to launch a country wide agitation against the present regime if Indemnity Repeal Bill is not passed in the Jatiya Sangsad. She was addressing the two-day extended meeting of the Executive Committee of the party at its central office.

The party chief in her inaugural speech asked her partymen to spread to every nook and cranny of the country and involve themselves in mobilising the public support in its favour.

The present regime will not be able to enjoy power uninterrupted if our just demands are not met, Sheikh Hasina warned. The AL chief, who also presided over the meeting, blasted her arch political rival ruling BNP [Bangladesh Nationalist Party] saying that the government had forged entente with the anti-democratic forces and collaborators of the War of Independence only to cling to power.

She said that the Awami League had extended all out support to the ruling party for the sake of building up an institutional framework for the hard-earned democracy, but unfortunately, she alleged the ruling party had been resorting to repressions and terrorism on her party workers since it assumed power.

Sheikh Hasina, however, claimed that the existing democratic process achieved through mass movement in 1990 would not be affected if the present regime was ousted for its misrule.

In this regard, she expressed her firm determination to resist any possible conspiracy aimed at foiling the ongoing democratic system which the nation witnessed during Satter regime. The Awami League chief also referred to the election results of the last parliamentary polls and reiterated that their victory was snatched away through conspiracy by the vested circles. She further said that the public opinion was not truly reflected in the election results. Awami League never believes in mere power politics. Since the party was pledge-bound to work for the cause of the masses, we accepted the results in the interest of consolidating the democratic gains for which several activists of her party and others shed bloods, she said.

Sheikh Hasina also recalled the brutal killing of her father, late Sheikh Mujibur Rahman and said the late leader was killed when he took initiative to emancipate the people from sufferings and economic exploitation under a democratic order. She held all the post '75 governments responsible for undermining the values of the liberation war adding that the people had been

denied the fundamental rights since killing of Bangabandhu Sheikh Mujibur Rahman. We hoped that the present regime would make sincere efforts to give democracy an institutional shape by upholding democratic values, but, she said undemocratic behaviour of the ruling party had frustrated us and also the people, AL chief said. She discovered that the people were now frustrated and losing confidence in democratic atmosphere due to misdeeds, inefficiency of the ruling BNP.

Sheikh Hasina accused the government of its failing to run the country efficiently. She dwelt at length on socio-economic condition of the country which she termed grave and chaotic.

Criticising the governments policies she said that BNP had failed to bring about change in socio-economic life of the people. She said that immediately after democracy was installed the foreign donors were keen to lend their financial support to Bangladesh to put the shattered economy back on rail but they had lost interest witnessing the inefficiency and wrong policies of the present regime, she stated. Sheikh Hasina resented the terrorism resistance bill moved in parliament by BNP and termed it a conspiracy to snatch fundamental rights of the people.

The government is talking about eliminating terrorism but at the same time patronising the identified terrorists for its own purpose and had taken recourse to violence and terrorism in an attempt to suppress the opponents, AL chief said. She pointed out that the killing of student leader Badal and attack on party meeting on last 6 December allegedly by the mastans of BNP were worst examples of it, she said. Sheikh Hasina also expressed surprise over the silence of the ruling BNP to take legal action against what the AL chief said illegal stay of Jamaat Ameer Golam Azam. She also said that the Rohingya situation had turned critical due to subservient foreign policy pursued by the present regime.

Sheikh Hasina called upon the activists supporters and followers of Bangabandhu Sheikh Mujibar Rahman to work with devotion to strengthen the organisation at grass roots level.

The meeting was exclusively for the members of the working committee, presidents and secretaries of different districts and thana units and the AL MPs [members of Parliament]. The party candidates who suffered defeat in the last parliamentary polls attended the meeting according to instruction of the party high command.

All the senior leaders including Abdus Samad Azad, Dr. Kamal Hossain Abdul Mannan, Sheikh Abdul Aziz, Tofael Ahmed, Amir Hossain Amu, Matiur Rahman, Mostafa Mohsin Montu, Muzaffar Hossain Poltu and Muhammed Nasim were present at the meeting.

Earlier the meeting adopted a condolence resolution on the death of some AL leaders including Asaduzzaman Khan and the student leader Badal.

AL chief Sheikh Hasina along with her General Secretary Sajeda Chowdhury and Kader Siddique arrived at the office at 3:30 p.m. and the meeting began at around 4 p.m. Dr. Kamal Hossain came to the meeting during its recess for Magreb prayer.

The concluding session of the meeting will be held this morning at the Mintoo road, official residence of the leader of the opposition in Parliament Sheikh Hasina.

AL high command, at yesterday's meeting sought rank opinion from the attending members highlighting the political and organisational issues. Accordingly leaders from Chittagong zone delivered their views. Discussions continued till 8 p.m.

Meanwhile, party sources said that demand for Indemnity Repeal Bill and organisational matters would come up at today's meeting for discussions. A preparatory committee for holding the long due national council session of the party is likely to be formed at the meeting, an insider indicated.

Topics of Discussion

92AS0877B Dhaka THE NEW NATION in English
3 Mar 92 pp 1, 3

[Text] The on-going extended meeting of the Awami League executive committee that began on Sunday last was marked by heated discussions following alleged intra-party armed conflicts that led to the killing of the student leader Badal. Speakers from district level while delivering their views at the meeting expressed a note of concern over the incident and referred to the remarks of party chief Sheikh Hasina in her inaugural speech on the first day of the session that Badal's killers and their patrons would not be spared, however powerful they might be.

Many were strongly of the view that no person within the party who indulges in armed clashes should be allowed to sit on the party forum. Some speakers blamed the party high command for its failure to weed out hooligans from the party. It is now the imperative need to identify the persons involved in anti-party activities and purge them.

In the adjourned meeting some speakers questioned the role of Dr. Kamal Hossain in connection with the launching of the much talked about democratic forum. The speakers questioned his loyalty to the party and asked the leadership to clarify his position. An insider said that Dr. Kamal Hossain would defend his stand at today's meeting beginning at 10 a.m. at Minto Road, official residence of the Leader of the Opposition in Parliament, Sheikh Hasina. The meeting is likely to be concluded today.

About 250 leaders representing the executive committee, national body, city Pourashava and district units and party MPs [members of Parliament] attended the meeting. A total number of 43 district level leaders took part in the discussion yesterday.

Speakers dwelt at length on party activities and underscored the need for rising above narrow considerations to strengthen the party at grassroots level. Many were critical of the leadership and said that the central leaders had failed to remove organisational lapses.

As regards gearing up the party activities, the performance of the leadership was frustrating, some speakers opined. Speakers, however, stressed the need for taking an action programme to force the government to scrap the indemnity ordinance. They also reviewed the political situation in the country and high-lighted Golam Azam issue and law and order. Speakers also resented the anti-terrorism bill moved by BNP [Bangladesh Nationalist Party] in Parliament and said that the party should build up a strong resistance to what they described anti-people steps pursued by the ruling party. Many blamed the government of resorting to repressions and terrorism on them. We feel insecure at the district level as the ruling party plots to eliminate us through force, the speakers said.

Party sources said that the district leaders including Moslemuddin, (Chittagong Sough), Abdul Khalek (Khulna City), Professor Hanif (Noakhali), Mirza Tofazzel Hossain, (Tangail), Imamuddin Ahmed (Faridpur), advocate Kashem (Feni), Alhaj Mohiuddin Ahmed (Chittagong), Abdul Hamid (Kishoreganj), Abu Nasar (Sylhet), Auyb Hossain (Jhinaidah), Khademul Hossain (Thakurgaon), Zafar Ali (Kurigram), Mamtazuddin (Bogra), M.A. Awal (Chandpur), Shah Abdur Razzak (Rangpur), Mozaffar Hossain (Rajshahi), Mohasinul Hoque (Natore) took part in the discussion. The central leaders will take part in the discussion today.

Awami League Central Working Committee Meets

First Day's Decisions

92AS0879A Dhaka THE BANGLADESH OBSERVER
in English 5 Mar 91 pp 1, 5

[Text] Awami League Central Working Committee on Wednesday asked Dr. Kamal Hossain to refrain from any activities which may tarnish the image of the party and undermine its interest, reports UNB.

Party sources said the Central Committee at a meeting discussed various complaints voiced against party presidium member Dr. Kamal Hossain at the three-day extended meeting which ended Tuesday.

The Central Working Committee, party's highest policy-making body, advised Dr. Kamal not to proceed further with his proposed quasi-political democracy forum which, the Committee felt, will create confusion among party workers and the people, and damage the party's interest in the long run.

Dr. Kamal was learnt to have expressed his regret for any of his actions during last one year which may have

directly or indirectly affected the organisation. He also renewed his loyalty to the party and pledged to act as per party constitution.

Presidium member Dr. Kamal Hossain's long isolation from organisational activities, his letter to party chief Sheikh Hasina after the 27 February parliamentary election, his recent speeches at different seminars and his latest move for a democracy forum came under strong criticism at the party's extended meeting.

Sources said the Central Committee examined a resolution of Dhaka District Awami League requesting the Committee to expel its General Secretary Mostafa Mohsin Mantu for activities detrimental to the organisation.

The Central Committee decided to issue a letter to the district unit of the party to send details of allegations against Mantu.

Awami League President and Leader of the Opposition Sheikh Hasina presided over the meeting which continued till late night at her Mintu Road residence.

The Awami League Central Working Committee was learnt to have empowered party President Sheikh Hasina to take any decision for the interest of the organisation.

The sources said that the Working Committee had decided to launch movement soon in view of the problems in socio-economic life which are further aggravating the hardship of common man.

The Central Committee was critical of the ruling party's attitude towards the Indemnity Ordinance (Repeal) Bill and decided to go for mass agitation if the bill is not passed in the next session of Parliament.

It also called for launching a mass campaign by holding rallies and processions, and distributing posters and leaflets in support of the repeal of the Indemnity Ordinance which blocked the trial of the killers of Bangabandhu Sheikh Mujibur Rahman.

The meeting also discussed a draft economic policy of the party, suiting the changed global economy.

It also held threadbare discussion on organisational matters and asked the district committees to complete annual conferences by April.

Closing Session, Resolutions

92AS0879B Dhaka THE BANGLADESH OBSERVER
in English 6 Mar 92 pp 1, 10

[Text] The Bangladesh Awami League has decided to hold its National Council on 30 May this year. The decision was taken at a meeting of the Central Executive Committee of the party held on Wednesday.

The meeting of the Central Executive Committee of the party chaired by the party chief Sheikh Hasina discussed

threadbare the latest political, social and economic conditions now obtaining in the country. The leaders of the party also expressed their views in the meeting in the light of extended meeting of the party held earlier.

The meeting in a resolution accused the Government of pushing the country to serious crisis and endangering the nascent democracy due to intolerant attitude of the ruling party. The absence of proper guidelines from the Government had also pushed the nation to serious economic hardship, the meeting observed.

The Awami League meeting alleged that the failure of the Government in running the statecraft had encouraged the anti-people forces to gain strength and mudding the political scenario of the country.

The Awami League accused the Government of pursuing the policy of appeasement to the Communal Forces resulting in the rise of the anti-liberation forces to challenge the spirit of the War of Liberation. The election of alien citizen Prof. Golam Azam as the chief of a political party, it observed, had amply demonstrated the weak character of the Government, the Awami League, alleged.

In another resolution, the Awami League meeting demanded the passage of the Indemnity Ordinance repeal bill to remove the constitutional hurdle for the trial of the killer of Bangabandhu Sheikh Mujibur Rahman.

The Awami League warned the Government against evading tactics to pass the Indemnity Ordinance Repeal Bill.

The Bangladesh Awami League expressed concern over the deteriorating law and order situation and blamed the Government for harbouring the terrorists in its own party and its student organisation Dacoity, robbery hijacking and gun rattling in the broad daylight had become a routine affair. The entire nation was living as hostage in the hands of the outlawed people, the meeting observed.

The Bangladesh Awami League accused the Government of failing to arrest price hike of the essentials which made the lives of the common people miserable.

Regarding the anti-Terrorism Bill placed by the ruling party in the Jatiya Sangsad, the Awami League said, it would be against the fundamental rights of the people. The placing of the bill had unmasked the anti-people character of the ruling party, the meeting alleged.

Demanding autonomy for radio and television, the Bangladesh Awami League said that the ruling Bangladesh Nationalist Party (BNP) was using the state media for its own propaganda in the style of ousted Ershad regime.

The meeting suspended Mr. Mostafa Mohsin Montu, General Secretary of Dhaka District Awami League for working against the party discipline and served show-cause notice upon him..

Ganatantri Party Holds First National Conference

92AS0882A Dhaka *THE BANGLADESH OBSERVER*
in English 2 Mar 92 p 10

[Article: "Unity of Democratic Forces Urged"]

[Text] Ganatantri Party on Sunday called for democratic forces to merge in a single party aiming to resist communalism, terrorism and corruption and institutionalise democracy, reports UNB.

Leaders of the party made the call while addressing its first national conference at the Engineers Institute.

The inaugural session of the two-day conference was chaired by party President Syed Altaf Hossain and addressed, among others, by Peer Habibur Rahman, Ahmedul Kabir, Syed Boharuddin, Saiful Islam, Aminul Islam Badsha, Advocate Shafiul Alam, Faziul Huq Kandker, CPB [Communist Party of Bangladesh] General Secretary Nurul Islam Nahid and UCL [expansion not given] chief Bimal Biswas.

The left leaders expressed concern over the rise of "fundamentalist and anti-liberation forces" in the country and urged all to stand against them.

They alleged that the government had totally failed to check terrorism in educational institutions as well as deterioration of law and order in the country.

They demanded immediate implementation of the joint declaration of three mainstream alliances and scrapping of all black laws, autonomy of Radio and TV and separation of the judiciary from the executive.

Syed Altaf Hossain said the opposition parties should welcome government's positive steps and called for constructive criticism for development of the country.

Peer Habibur Rahman condemned an armed attack on Saturday's Jatiya Party meeting and said the government should demonstrate democratic behaviour everywhere.

More Charges Pressed Against Ershad, Others

Land Allotments

92AS0871A Dhaka *THE BANGLADESH OBSERVER*
in English 10 Mar 92 p 10

[Text] Former President H.M. Ershad was on Monday formally charged with corrupt practices while in office as head of state to derive illegal financial benefits either for himself or for others through the allotment of 49 residential plots to different persons in capital's four posh residential areas, violating established rules, reports BSS.

Special Judge Mr. A.T.M. Fazle Kabir of the Special Court while pronouncing the charges against Mr. Ershad said the former President when he was power in 1988, 89 and 1990 favoured the 49 persons by allotting RAJUK plots at Gulshan, Baridhara, Banani and Uttara in violation of government rules either himself directing the concerned authorities to allot the land and made recommendations for the same.

The beneficiaries included five ministers under Ershad, 13 government officials and 31 private citizens, the charge said.

The charge was framed after two days of charge hearing made on 25 February and 3 March when the judge heard both sides pleading their cases.

The judge said the lands were allotted in violation of Clause 13 (A) of the Town Development Act of Rajuk and Ershad himself received application forms other than the prescribed one.

The accused in some cases made recommendations in violation of law. Judge Kabir observed in doing so, the former President had committed punishable offence under Section 2 of Clause 5 (2) of the Prevention of Corruption Act of 1947. Former Chairman of Rajuk Mr. S.M. Rahmatullah, the lone co-accused in the case was exonerated from the charges by the judge after finding the allegations against him by prosecution to be "baseless."

When asked to comment on the charges, Ershad who was attired in a light colour full sleeve safari suit quickly stood up on the dock and said simply he was innocent.

Earlier during charge hearing, public prosecutors Abdur Razzak Khan submitted that the former President Mr. Ershad had violated the established rules in allotting RAJUK plots to 49 persons. Mr. Khan charged that the former President had himself received applications and made recommendations for the plots which RAJUK later obliged. He further alleged that the former Chairman of RAJUK Mr. Rahmatullah had conspired with Ershad for their personal benefit or for others in pilot allotment. The former chairman RAJUK, according to prosecution, wrongly quoted the Clause 13(A) of the Town Development Act to legalise unlawful acts of Mr. Ershad.

Mr. Sharfuddin Khan Mukul defending Mr. Ershad said his client, the former President, as the executive head of the state during period in question was legally entitled to recommend RAJUK plot. The defence lawyer said since the beneficiaries are neither accused nor witness to the case, his client may be set free. The judge fixed 12 April for the trial to start.

Meanwhile, Ershad's Attorney Mr. Sharfuddin Khan Mukul hinted that they would appeal to the Superior Court against the charge framed by the Special Court.

Kazi Zafar Ahmed, Lt. Col. H.M.A. Gaffar and Ruhul Amin Howlader were among the ministers who received

plots. Poets Al Mahmud and Fazal Shahabuddin and journalists Toab Khan, Enayetullah Khan, Shahadat Chowhury, Enayet Hossain Chowdhury, Mizanur Rahman Mizan and Ahmed Fazal and former student leader Abdul Quddus Makhani and late Shah Abu Zafar Salek (Pir of Sharsina) were some of the 31 private citizens favoured by Ershad through allotments of plots.

Aircraft Deal

92AS0871B Dhaka THE BANGLADESH OBSERVER
in English 14 Mar 92

[Text] Former President H.M. Ershad and three others including two ministers under him have been charged with abusing their official position as public servants to dishonestly obtain for themselves or for any other persons pecuniary advantage to the extent of Taka 20, 18, 08, 260 in the deal made in 1989 for the purchase of three ATP aircraft for Bangladesh Biman, reports BSS.

Attorney General Mr. Aminul Haq while reading out the prosecution charges said the accused persons who included former ministers Ziauddin Ahmed and Lt. Col. (Retd.) H.M.A. Gaffar and former Industries Secretary A.K.M. Mosharraf Hossain by their acts have committed offence under Section 5(1) (D) of the Prevention of Corruption Act of 1947 (Act II of 1947).

He charged that the accused persons are punishable under Section 5(2) of the Prevention of Corruption Act of 1947 which is within the cognisance of the court (the Court of Special Judge Quamrul Islam Siddiqui).

Khandakar Mahbub Hussain appearing on behalf of former President Mr. Ershad stated that there is constitutional bar to challenge the acts of a President. He further stated that former President enjoyed immunity under the Constitution.

Mr. Habibul Islam Bhuiyan, who defended Mr. Ziauddin Ahmed, said the allegations against his client are groundless. Describing the F.I.R. [First Information Report] as travesty of truth, Mr. Bhuiyan claimed that Mr. Ziauddin had no involvement in the matter, except that he presided over the Board of Directors' meeting.

Khan Saifur Rahman appearing on behalf of Lt. Col. (Retd.) H.M.A. Gaffar and A.K.M. Mosharraf Hossain said that allegations against his clients are groundless and opined that the court has no jurisdiction to try this case as the place of occurrence was in England, beyond the territory of Bangladesh.

Special Judge and Additional Sessions Judge Qamrul Islam Siddiqui after hearing both the sides, fixed 21 March for framing the charges against the accused.

The prosecution stated that before finalisation of the decision by Biman's Board of Directors about the procurement of the ATP aircraft and the fixation of price, former President Ershad, accompanied by Mr. Mosharraf Hossain, visited the factory of British Aerospace, the manufacturer of the aircraft and publicly

praised the ATP planes. It said while the manufacturers on 26 October 1988 mentioned the price of each aircraft at 12.2 million dollars, after Ershad's visit to the factory in April 1989, the price was raised to 14.06 million dollars.

The prosecution further charged that despite a report sent by Finance Secretary to President Ershad on 4 October 1989 depicting the weak financial position of Biman with a request to object the purchase proposal (of the ATP aircraft), considering the overall situation and interest of Biman, the former President at the instance of Lt. Col. (Retd.) H.M.A. Gaffar, the then Minister for Civil Aviation approved the purchase deal on 28 October 1989 with dishonest intention.

The Attorney General said although there were negative reports from Biman's economic and technical evaluation team about the procurement of ATP in addition to the written objection by the then Finance Secretary, accused Ziauddin Ahmed, the then State Minister for Civil Aviation did not stop the deal. Moreover before the approval by the Cabinet Committee on Purchase, 4 million U.S. dollars were sent to ATP authorities at the instance of accused Ziauddin Ahmed, the prosecution charged. The action of the accused, the Attorney General said, was contrary to the decision adopted at the 119th meeting of Biman's Board of Directors. In that meeting it was decided to purchase 3 ATP aeroplanes directly from the manufacturers subject to the fulfillment of certain conditions including satisfactory economic and technical evaluation report and effective bargaining of price.

The economic evaluation team in late 1988 submitted a report to the effect that if the three ATP planes were purchased, Biman would sustain a loss of more than 20.6 million dollars within the next five years. The team, in March 1989 in a fresh report said the loss to Biman would be more than 50 million dollars within the next ten years.

The prosecution charged that accused Lt. Col. (Retd.) H.M.A. Gaffar, who chaired the 127th meeting of the Board of Directors as the Minister in Charge of Civil Aviation, instructed the sending of another 5 million dollars to British Aerospace. This was done before the proposal for the purchase of the ATP planes was approved by the cabinet committee on purchase, the prosecution further charged.

The prosecution said the former Industries Secretary Mr. Mosharraf Hossain, though not an expert, with an ulterior motive voluntarily gave technical opinion favouring in the purchase of ATP in the meeting of the hard term loan committee held on 5 December 1989.

The Attorney General discarded the contention of former President's counsel saying that immunity ends when the President leaves the office. The constitutional bar to try President exists so long as he holds office, the Attorney General said.

Mr. Aminul Haq also countered the objections raised by the attorneys of the three other accused persons and stated that they could be tried by this court as per law of the land.

The court on Saturday witnessed a brief encounter between the Attorney General and accused former President H.M. Ershad. But a prompt intervention by the judge brought the situation under control.

Land Transfer, Construction

92AS0871C Dhaka THE BANGLADESH OBSERVER
in English 16 Mar 92 pp 1, 10

[Text] Begum Raushan Ershad, wife of former President H.M. Ershad appeared in a Special Court in Dhaka on Sunday along with her husband in a corruption case of illegal transfer of RAJUK land and constructing a multistoried building at Kawran Bazar area of the city, reports BSS.

Raushan and H.M. Ershad are among a total of 20, who have been charged in this case in which the former head of state has been charge-sheeted for misusing his official position and working in collusion with others to bring benefits amounting to about Taka four crore to his wife Raushan Ara Begum and others.

Mr. Ershad, by doing so, has committed offense under section 5(2) of the Prevention of Corruption Act of 1947 and Article 109 of the Penal Code, the charge-sheet stated.

Sunday was the production date of the accused in the special case number 11 of 1992 in the court of Special Judge Md. Ismail Miah. Seventeen persons including Ershad and his wife appeared.

The FIR [First Information Report] in this case was filed on 14 April 1991 and the charge-sheet submitted on 7 September 1991. A supplementary charge-sheet was also submitted later.

Before they sat side by side in the dock, Ershad briefly met Raushan in the court room where their two children were also present. He enquired about his wife's welfare as he saw her nearly after a year of transfer from the Gulshan sub-jail to Dhaka Central Jail.

Defence lawyers prayed for the extensions of bails of Raushan Ershad and fifteen others. Attorney General Aminul Haq supported the contention of Mr. Sarfuddin Khan Mukul, who appeared on behalf of the former "First Lady."

Later the Attorney General asked permission to issue official gazette notification for the three accused persons who are absconding.

Special Judge Mr. Ismail Miah ordered for the notification and fixed 30 March as the next date of the case.

Besides the former President and his wife, prominent among the accused persons included former Minister

M.A. Sattar, former Chairman of RAJUK S.M. Rahmatullah and former Parliament Member Haji Abdul Wadud.

The case is popularly known as Janata Tower Case, because it refers to the multistoried building of Janata Publishers Company. Begum Raushan Ershad is the Chairman of the Company, while Mr. M.A. Sattar is a Director.

Hotel Land Lease

92AS0871D Dhaka THE BANGLADESH OBSERVER
in English 27 Feb 92 p 10

[Text] Former President H.M. Ershad in collusion with others leased out a land owned by a statutory body to a private company before the company came into existence by flouting rules and causing financial loss to RAJUK (former D.I.T.), prosecution on Wednesday charged, reports BSS.

The land measuring 3.82 acre and situated opposite to Dhaka Sheraton Hotel was leased out to Bengal Trading and Industrial Company Ltd. (BTIC) for the construction of Rajanigandha Holiday Inn, a hotel owned by International Hotel Holdings Ltd.

Special Court chaired by senior special Judge Mr. Nasiruddin Ahmed heard charges brought against Mr. Ershad and three other co-accused out of five persons who have been charge-sheeted. Fifth person, Mr. Abdul Bashar, former Chairman, DIT, expired in the meantime.

Former Vice President Moudud Ahmed, one of the co-accused appeared for the first time in this case. Other accused are Mr. Shafiqul Ghani Swapan, former Works Minister and Abul Khair Litu, Bangladeshi Sponsor of the hotel.

The hearing remained incomplete and the judge fixed 4 March for the next hearing of the case.

While bringing the charges Public Prosecutor Abdur Razzak Khan said the former head of state and three others (including late Mr. Bashar) leased out the land five months before BTIC was floated violating existing rule of RAJUK that caused the statutory body to suffer a loss of over 13.4 crore.

As per law all commercial plots, such as the land in question, needed to be leased out through public auction and that information to be made known to all through newspaper advertisement. While leasing out the land, the accused person (except Mr. Abul Khair) violated Rule 14 and 20 of RAJUK Rule, PP [public prosecutor] charged. While Rule 14 relates to awarding land to the highest bidder and Rule 20 refers to mode of transaction (maximum 4 installments with interests).

Earlier, the Attorney of accused Moudud Ahmed prayed for adjournment of hearing on the plea that they were yet to get some relevant papers.

The court disallowed the prayer and directed prosecution to proceed with its submission.

Mr. Khan said there was no auction and the land was leased out at Taka 50 lakh less per bigha than what had been fixed by D.I.T. long ago (total land was over 11.5 bighas). Besides, leasing out at a much cheaper rate, unusual concessions to pay in 12 installments without interests not permitted by law was allowed which caused financial loss to D.I.T.

The former President and the then DPM [deputy prime minister] in charge of the Ministry of Industries Moudud Ahmed gave the allotment of land and by violating the rule knowingly committed offence under Section 409 and 109 of Cr. P.C. and 4(2) of the Prevention of Corruption Act, PP said in the charge hearing. He said evidence showed former Works Minister Shafiqul Ghani Swapan was in collusion with the two in awarding the land contravening law.

Abul Khair Litu, the Bangladeshi promoter of the hotel was charged of abetting the three accused in causing financial loss to RAJUK. The land in question was previously owned by U.S. Embassy who later exchanged it with government plot at Baridhara.

PP said correspondence for procuring the land began in January 1987, much before sponsor company came into being. He said Shariful Haq Alias Dalim, the then Trade Commissioner in Hong Kong wrote a letter to Industries Ministry on the possibility of such a hotel and Abul Khair Litu, brother-in-law of Dalim applied to the Industries Ministry for the plot in the name of BTIC, even before it was born.

The prosecution said Abul Khair Litu who was not in the BTIC from the beginning as per document, finally entered it in March 1988 by replacing Shah Syed Kamal, one of his employees, when the holding company had its first board meeting. In support of his contention that Litu financed everything for BTIC and was behind it from the beginning, PP read out money receipts and other papers.

The foreign sponsors in the holding company are Property Administration Ltd. of Hong Kong and Cadina Company Ltd. also of Hong Kong. The share of the

holding company was apportioned equally among the sponsors-9999 shares to each.

Giving a history of the holding company—International Hotel Holdings Ltd.—for whose benefit the plot was allotted, was incorporated into Bangladesh on 12 November 1987 and started functioning from first February of the following year.

The PP said while okaying the deal, Ershad, however, put certain conditions that included construction of an one thousand persons capacity convention centre.

Mr. Khan appealed to court to frame charges so that trial could start soon.

When accused Moudud Ahmed said the prosecution under Section Cr. P.C. 241(A) was bound to supply all documents, judge observed that the particular rule is not applicable in Bangladesh. The judge asked Mr. Ahmed to put up his case when the court next meets on 4 March.

Mr. Moinul Haq appearing on behalf of Abul Khair Litu said charge sheet did not mention any ill motive of his client and added that to lease out land was no crime. Besides the prosecution did not show any evidence that Litu had a role in the leasing of land.

When the court resumed after one hour recess, Sharfuddin Khan Mukul appearing on behalf of Ershad said although his client has been accused of violating law by the prosecution, but in the FIR [First Information Report] there was no mention of abuse of power. He said the land was allotted by DIT board of Trustees and that the allotment was not proved illegal.

Mr. Mukul further said DIT which is supposed to have suffered loss did not sue the case and then asked which authority determined who suffered loss.

Mr. Ershad's Attorney said it is not a simple case, but one which will hit the whole structure of administration. He appealed for avoiding hurry in the interest of justice and assured the court for full cooperation.

While fixing the next date for resumption of hearing, judge asked prosecution to produce the exchange document.

Mr. Mukul's submission remained incomplete.

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